Provinces Encourage Municipal Extravagance (Page 10)

LARGEST CIRCULATION OF ANY CANADIAN FINANCIAL PAPER

THE FINANCIAL POST

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CANADIAN MINING NEWS DEPARTMENT ON PAGE 14

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The Nation's Business

Ottawa Conference Moves Smoothly to Success

Concessions Made on All Sides

Mr. Baldwin on British Preference Policy

Why British Capital Has Flowed Into Dominions

Real Progress Made at Ottawa

SUPERFICIALLY the pertinent question at Ottawa may seem to be whether the British Empire is to continue as an economic empire or disintegrate into a number of nations each pursuing its own fiscal, financial and trade policies without regard for the other. In reality this question was answered long before the first delegate arrived in Canada's capital to attend the meetings of the Imperial Economic Conference. It has been determined that the empire shall survive. But if it is to survive it must do so in a world that daily develops new international complexities. It can never be a question of the Empire against the rest of the world in commerce and finance. The task at Ottawa is to make the compromise in Imperial ambitions that is necessary if the new British Commonwealth is to fit into the international picture. Herein we find the reason for what seem from time to time to be the insoluble problems of the conference and the reason for the variance in sentiment from day to day as to the prospects for success.

* * *

OTTAWA itself is not the best point from which to gain a true perspective on the Conference and its progress. The capital is too close to the differences of opinion, the pettifogging gossip and the clash of psychologies to visualize, during the hectic process of a hurried conference, the ultimate objectives in the minds of the Empire statesmen gathered there. So the visitor to Ottawa senses an atmosphere of gloom and defeatism and the breakdown of the conference is frequently forecast.

But viewed from any distance the progress already achieved at Ottawa must be regarded as remarkable and as fully justifying Mr. Bennett's optimistic statement of this week. The British delegates disappointed Canadians by the diffused generalities of Mr. Baldwin's opening address but they have since electrified the people of this country by the generous offers of additional food preferences that have been authentically if unofficially reported. Not quite so authentically, it has been made clear too that Russia need not prove a final stumbling block in the negotiations; that while an embargo is impossible a shifting of purchases from Russia to the Dominions in some products is possible. The continuance of the present British preferences also is assured, unless the conference is a dismal and utter failure, and these are of unquestioned value to all the Dominions.

* * *

ON THE other side the Dominions have made very substantial offers. Take Canada for example. Our present preferences to Great Britain are of inestimable value to that nation. Canada has already offered to continue and enlarge them and this offer embraces a new market unofficially estimated as in excess of $50,000,000. Definite modification of our policy of high tariffs on many lines that Britain would like to sell here is believed to be in Mr. Bennett's policy.

Between Canada and several of the other Dominions equal progress has been made.

* * *

IN SUCH circumstances can anyone doubt that this conference will be crowned with the large measure of success that Canada's prime minister has forecast? So far as one can judge, the respective attitudes of Messrs. Baldwin, Bennett and Bruce, the three key men of the conference have been admirable.

Unless very unexpected and untoward developments occur the closing of this conference should be the signal for the finalizing of arrangements that will increase the interchange of goods and services in the Empire and increase the purchasing power of every British nation.

* * *

British Preferences Are Valuable

PREMIER BALDWIN'S statement to the Imperial Economic Conference, designed to indicate the value to the various Dominions of

(Continued on page 2, col. 3)

NO BREAKDOWN OF CAPITALISM AVERS GREGORY

Noted Economist at Williamstown Institute Analyzes Crisis

LIKENED TO ROME

Arnold Toynbee Not So Sure and Shows What Can Save Us From Crisis

By A. F. W. PLUMPTRE,
Lecturer, in Money, University of Toronto

WILLIAMSTOWN, MASS.—Is this depression merely another cyclical trough in society's uneven progress, or is it unique? Does it, indeed, mark the end or "the beginning of the end of Capitalism?" These were the questions which are uppermost in the discussions at the 1932 summer meeting of the Williamstown Institute of Politics. Two of the internationally famous experts, who are gathered from all over the world to take part in the sessions of the institute, have voiced their views.

Professor T. E. Gregory, of the London School of Economics, who gave several addresses in Montreal and Toronto last September, opened a round table conference with the question, "How far does this depression need special explanation?" In the course of his remarks he made it clear that while he believed this to be one among many depressions which have been experienced during the past 150 years, nevertheless there were special features which had to be explained and special aggravations which had to be appreciated.

No "Breakdown" at All

With two popular "explanations," Professor Gregory entirely disagreed. In the first place he repudiated the idea that we were witnessing the "Breakdown of Capitalism." It was true that Karl Marx had predicted that Capitalism would come to grief in a situation similar to that which exists in most industrial countries at present. But neither the historical analysis nor the theoretical arguments upon which Marx based his prophecy were acceptable. In fact, the surprising thing was that Capitalism had shown so little disorganization under the stress of a 30 to 50 per cent decline in prices.

Nor, according to Professor Gregory, were inventions and other "labor-saving" improvements a main cause of the situation although, in the discussion, he admitted that they might be an aggravating factor. He pointed out that the economic system had survived the adjustments due to rapid technical changes during the last century. "Inventions," he said, "did not start with Ford's Model T, but with Adam and Eve." (The professor did not make it clear whether or not this referred to figleaves). But adaptation to new methods and processes was probably retarded nowadays by the large scale upon which business operated and by the interference of governments which, fearing unemployment, always resisted the adjustments which were ultimately necessary.

Exclusive Features

The special features of this depression were, first, the exceedingly rapid decline in prices and, second, the breakdown of financial confidence. Even the British banking system had felt a tremor of insecurity in 1931. Such as it had not felt since 1856. And as for Europe, the situation could be described as "a run of bankers on bankers."

The special aggravations existing at present included the growth of state interference in business, particularly in the field of political debts and reparations. It was claimed that, up to 1929, there was "inflation under a guise of stable prices." Nor was the proper place of the stock exchange in the economic life of the United States fully appreciated. Attempts to maintain artificially the prices of various raw products, and the rapid change in the technique of farming were important factors. And the declining rate of growth of population, resulting in the fact that it took longer to "grow into" over-expanded capital equipment, was one cause in prolonging the present slump.

Less Definite Answer

Such were the opinions of an economist. Of no less interest were those of one of the world's

(Continued on page 2, col. 6)

Canadian Pacific Not Buying C. S. L.

The Financial Post is informed authoritatively that there is no truth in the story that the Canadian Pacific Railway Co. is negotiating for or considering the purchase of Canada Steamship Lines, Ltd.

Credence has been given to this story in the United States where the fact that Canadian Pacific Railway Co. has a fleet of steamers on the Upper Lakes has been given undue significance. Canada Steamship Lines and other operators have co-operated to the extent of laying up shipping that would be idle in any case in the hope that active operation of the remaining vessels would be more remunerative. Grain rates are still very low, however.

Highlights of the Week

Bad Benefactions

Dominion and provincial governments, by subsidies and grants, encourage municipal extravagance. Page 10.

Your Problem

Taxation is everyone's concern because everyone pays taxes, directly or indirectly. Page 10.

$200,000,000

That's what the new Welland ship canal has cost — just $70,000,000 more than government figures show. Page 9.

The Conference

Success seems certain at the great Ottawa parley. Many phases of the conference discussed in this week's issue on pages 1, 2, 3 and 6. The summary of conference highlights today is particularly valuable for busy business men. Page 1.

Looking Better

Maybe we're rounding the corner after all. Anyway many factors indicate improvement. Read these articles:

Many factors gain	5
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Commodities rise	7

Meeting the Test

Life insurance maintains good record through difficult period. Page 11.

Power From Steam

That's how it is hoped the surplus power from Abitibi canyon can be used. The process simply described. Page 4.

OTTAWA READY TO ISSUE SOON FINANCE REPORT

From Our Own Correspondent

OTTAWA.—The first revenue and expenditure statement to be issued by the Federal government since the close of the last fiscal year on March 31 will likely be printed within the next fortnight.

There has been no financial statement from the government for several months, not, in fact, since the close of the fiscal year. Previously the practise has been to hold back the statement for one month of the new year and then to issue one statement covering revenues and expenditures for April and May. This opening financial statement of each year always came in July and in the present year the opening week of August has brought no word in regard to the financial position of the country.

The real explanation of this delay is twofold. The government is considering and virtually has decided to alter the form of the monthly financial statements. The intention is to restrict the statement to figures on revenue and expenditure, to eliminate the statistics on public debt which always have been a feature of past statements. The other explanation is that the new Consolidated Revenue and Audit act passed in 1931 but proclaimed last April 1, gives the Finance department an additional 30 days in which to close up revenue books, thus throwing the figures back one month.

This additional month having passed, the regular statements are to be resumed in August, the first of them covering the three months ended June.

NEWSPRINT PROSPECTS BRIGHTENED

Latest Developments Forecast Firm Policy

ACTION IS NEEDED

Changed Conditions Appear to Offer Opportunity to Rehabilitate Industry

From Our Own Correspondent

MONTREAL.—With a stake of more than $30,000,000 involved in loans to six of the principal Canadian newsprint operators, banking interests are believed to be taking a more definite stand in arriving at some arrangement for the rehabilitation of the industry, which will not only strengthen the equity back of their loans but, at the same time, protect the interests of security holders.

For more than a year past negotiations of one kind and another have been going on in an endeavor to arrive at some conclusion designed to strengthen the position of the individual companies and the industry as a whole. First of the big operators to be reorganized was Canada Power and Paper, which now goes under the name of Consolidated Paper Corp. But the other companies were and are faced with problems just as serious as those which confronted Canada Paper, but to date no definite progress has been made with plans of reorganization.

Lack of Leadership

There would seem to be a lack of co-operative action on the part of the industry's leaders to effect strengthening changes. Meantime, operations are on a limited basis and earnings limited. Without an exception, operators have had to have recourse to the banks. Their balance sheet position is in need of strengthening; in fact, readjustments of a major character appear to be in order for the majority of companies.

Move Might Help

One month ago, The Financial Post intimated that receiverships were in prospect for some of the Canadian newsprint operators. It was then said that the appointment of friendly receivers would permit the reorganizations to be effected without unduly disturbing the industry. Such action would also enable the companies to place their finances in sounder shape, while the interests of the security holders would best be served by taking such a step now, rather than later on when it might not be possible to take such a step.

It is significant that in the last few days three companies have informed the trustee that they are unable to meet interest charges on their first mortgage bonds.

Three Pass Interest

Deferment of Abitibi Power and Paper Co.'s bond interest did not come as a surprise. The earning power of this enterprise has not been impaired. This, together with the uncertainty over the Abitibi Canyon power project, no doubt made it advisable to pass bond interest payments until certain matters had been cleared away.

Some little surprise was occasioned, however, by the passing of bond interest by Lake Saint John Power and Paper Co. This concern is controlled by St. Lawrence Paper Mills, in turn controlled by St. Lawrence Corp. The company holds a ten year contract from Hearst, under which the entire output of the company is sold. Despite this contract the company announces its inability to meet interest payments.

Withdrawal of Lord Beaverbrook from the Price Bros. and Co. picture, apparently as a result of the refusal of creditors to agree to his plan to put the company back on its feet, made necessary the passing of interest on the first mortgage bonds.

Two Pay Interest

As a result of the action taken by Abitibi, Price Bros. and Lake Saint John, there are now only two companies in the Eastern Canadian field meeting interest charges on their

(Continued on page 2, col. 6)

Expect Canadian Pacific Will Pay Ordinary Dividend

From Our Own Correspondent

MONTREAL. — Directors of the Canadian Pacific Railway will meet on Monday next to take action in connection with the dividend on the company's ordinary shares. Expectations are that the directors will declare a dividend.

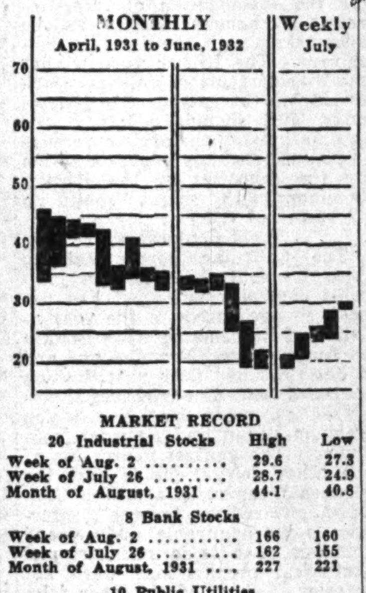
It will be recalled that early in the year announcement was made that in future action on the ordinary shares' dividend would be on a half-yearly rather than on a quarterly basis. At this time actual earnings for the first half of the year are known and an estimate can be made of traffic prospects in the balance of the year.

Though net operating income would not seem to warrant continuance of the dividend, it is expected that the directors will be influenced by the prospective large grain crop in the West, which will have a material bearing on the railway's earnings in the last six months. Further it is highly desirable that there be no interruption in dividend payments, because of its effect on the company's credit standing.

Two other factors bearing upon the company's position at present are the Economic Conference at Ottawa and the Royal Commission's report on the railways. Favorable developments are expected from the conference, while the commission's report is expected to strengthen the position of the Canadian Pacific.

Stock Market

20 INDUSTRIAL STOCKS



MARKET RECORD

20 Industrial Stocks	High	Low
Week of Aug. 2	29.6	27.3
Week of July 26	28.7	24.9
Month of August, 1931	44.1	40.8
8 Bank Stocks		
Week of Aug. 2	166	160
Week of July 26	162	155
Month of August, 1931	227	221
10 Public Utilities		
Week of Aug. 2	45	43
Week of July 26	44	41
Month of August, 1931	70	68

Conference Record to Date Is Notable

BIG TRADE IN CHEMICALS UNDER FIRE

Empire Importations Reached $225,000,000 Back in 1929

U. S. A. CONCERNED

Free Entry For British Chemicals Would Mean Branch Plant Impetus Here

By Staff Editor

OTTAWA.—Although not one of the first lines of development to be explored, chemicals will probably loom as an important focus point of discussion as the Empire parley continues. Canada and Great Britain are particularly interested as Britain is anxious to find a considerably increased market for her immense chemical production which according to census figures of 1924, amounted, even in that year to an annual output of over $300,000,000.

It has been rumored that Britain is asking for free entry into Canada, of chemical products now imported largely from the United States. Present Canadian tariff rates range as high as 25 per cent with usual 1/3 British preference on most lines.

The chemical industry occupies a pivotal position among the basic industries since every branch of industrial activity, including agriculture, requires chemicals in one form or another, and will do so increasingly in the future. The broad term "chemicals" includes acids and alkalis, salts, manufactured fertilizers, drugs, medicinal and pharmaceutical preparations, coal tar and its products, disinfectants and dyes.

Empire Demand Substantial

Total Empire importations of chemicals in recent years have averaged nearly $200,000,000 annually while in 1929 this figure reached roughly $225,000,000. Of this total Great Britain imports between $70 and $80 million annually of which 90 per cent comes from foreign countries, chiefly Germany, France, Belgium and the United States. Of total imports of overseas Empire countries in a year such as 1929, for instance, only 31 per cent came from Great Britain while nearly 40 per

(Continued on page 3, col. 3)

FLOUR IS KEY TO ARGUMENT ON WHEAT TAX

Suggestion of Small Duty Arouses Keen Debate

From Our Own Correspondent

OTTAWA.—The conference situation with respect to wheat has attracted a good deal of attention, partly because it is easier for the uninformed to discuss than the intricacies of steel and textile schedules. That Premier Bennett intended to ask for a preference on Dominion wheat entering Great Britain was clearly indicated during the course of his address at the opening of the conference, when it was evidently covered by his reference to natural products. When, however, it became known that Australian opinion was to the effect that nothing could be done for either wool or wheat on account of the widespread international markets on which these commodities are sold, that the concensus of both western opinion and trade advice was that a British quota system would not only be useless to Canada and might be definitely harmful by a tendency to lower world prices, and that there appeared to be no Canadian demand for preferential duties, the impression got abroad that Mr. Bennett might drop his request for preferential treatment in so far as wheat was concerned. This week Mr. Bennett made it clear that he still wants such a preference.

From the careful study that had been made of wheat and other problems by the advisers to the Canadian Government who were engaged in close study for many weeks prior to the opening of the conference, it must be presumed that the government were well aware of what might be called the standard opinion of the difficulty of helping the Canadian producer of wheat by any preferential treatment in the British market. The fact that the Canadian request was confined to a decidedly small duty against foreign wheat, instead of the exclusion of such wheat from the British market by either quota or extremely high duties might be considered to be in deference to such opinion.

Effect of Small Duty

As to the effect of such a small duty it is possible to find differences of opinion among both economists and members of the grain

(Continued on page 3, col. 2)

Day-by-Day Record Of Parley Happenings

Official and Unofficial Accomplishments of Ottawa Meet Summarized for Ready Reference

By Staff Editor

Ottawa.—Splendid progress has been achieved in the first two weeks of deliberations at the momentous Imperial parley here.

The following summary gives a running account of official and unofficial developments up to and including Tuesday, August 2, and is published as a source of ready reference on conference deliberations for readers of The Financial Post.

THURSDAY, JULY 21

Conference Convenes in public session and hears inaugural speeches from leaders of each Empire delegation. Rt. Hon. R. B. Bennett, appointed chairman and on behalf of Canada sets forth conference keynote from Canadian point of view by setting out following proposals:

Canada would grant:

(1) Extension of the number of British-made products now admitted here duty-free.

(2) A continuance of the existing Canadian tariff preferences in favor of Great Britain.

(3) Increased tariff preferences on "a selected list of articles in which Britain is especially equipped to supply the Canadian market without injuring efficient Canadian enterprise."

In exchange for these concessions, Canada asks that:

(1) Great Britain continue the preferences given Canadian goods under the lately adopted British tariff.

(2) Extension of these and similar preferences "to those other natural and processed products of which the United Kingdom is an importer."

Following Declarations of Policy, heads of delegations met and appointed to five committees:

(1) Promotions of trade within the Commonwealth.
(2) Customs administration.
(3) Commercial relations with foreign countries.
(4) Monetary and financial questions.
(5) Methods of economic co-operation.

No appointments to the committees

(Continued on page 3, col. 1)

PARLEY FATE TO BE DECIDED IN NEXT WEEK

British and Canadians Can Now Get Down to Business

By Staff Editor

OTTAWA.—It is now quite plain that the fate of the Conference will be decided within a few days. Recently it has been more or less marking time waiting for the Canadian government to evolve its policy and submit in concrete form first its desires about preferences in the British market and secondly its own proposals about tariff concessions which will enlarge the market for British goods in Canada. For some time past the British delegation has been in possession of the proposals of the other Dominions and India but as long as the Canadian proposals were lacking, the real work of negotiating and bargaining which must take place could not be tackled. Now that the Bennett Government's proposals are in the hands of the British the economic experts of the British delegation will settle down at once to appraise them and study their implications. This task will probably occupy the balance of the week but by next Monday things should be in train for the real negotiations and attempts to evolve workable tariff adjustments and agreements which will promote inter-Imperial trade.

British Negotiators

On the British side the real negotiators will be Mr. Runciman and Mr. Chamberlain and probably Mr. Bennett will follow his usual habit of assuming full charge of Canadian interests. The British apparently have not now much hope of any substantial curtailment of Canada's textile duties for the benefit of Yorkshire and Lancashire, but they do expect quite substantial concessions in regard to other commodities, notably iron and steel products, machinery, leather goods and chemicals. They are quite willing, if the concessions offered them seem reasonably good, to grant most of the demands of the Dominions for an enlargement of the preferences of the British tariff and

(Continued on page 2, col. 5)

SEEK TO UNIFY EMPIRE SCALE OF "CONTENT"

Conference Tackles Wide Conflict in What is Needed

By Staff Editor

OTTAWA.—An important Empire trade problem now under investigation here is the matter of the "content" of domestic or Empire manufacture which various units of the Empire demand in order that goods may qualify for preferential tariff treatment.

A special subcommittee is now actively engaged in attempting to secure uniformity and simplicity in the requirements of individual Empire countries in order that a satisfactory, and if possible, common basis for use throughout the Empire may be achieved.

At present there is a wide variance between the practice of various Empire countries as to just

(Continued on page 3, col. 4)

Says U.K. Preferences Bound to Continue

By Staff Editor

OTTAWA. — One of the most influential Britishers here for the Imperial Economic Conference stated to The Financial Post that he anticipates that Great Britain will continue her provisional preferences to the Dominions after November 15 regardless of what may happen at Ottawa.

"It is always possible, although now unlikely, that nothing very tangible will come of this conference," he said. "Even if there should be such a disappointing result, I do not think the Dominions need worry about the continuance of the present preferences. I think they will be increased in some respects. So you in Canada are certain of some return for your own long-standing preferences, whatever happens."

Many Ponder at Ottawa On Russian Lumber Bogey

By Staff Editor

OTTAWA.—After two weeks of deliberation representatives of Canadian and British lumber trades are reported to have reached an accord and to have submitted to their respective governments a joint recommendation which it is estimated will substantially increase the market in Great Britain for Canadian softwood. Gist of the recommendations is said to be that United Kingdom will be asked to have the present preference on Canadian lumber increased from 10 to 20 or 25 per cent.

These men have nothing to do with the official delegates but they represent on the one hand the Canadian lumber trade with invested capital of over $180,000,000 and on the other hand the world's largest importer of lumber and its products—Great Britain—a country which even in times of depression consumes nearly $200,000,000 annually of timber and its products, and which in 1929 took over $275,000,000 of products of which over 90 per cent came from countries outside the British Empire. Approximately 15 per cent came from Russia, and less than 5 per cent from Canada.

For two weeks now, daily conferences have been going on in an attempt to find some common base of accord upon which a joint brief could be presented to government representatives at the Imperial parley. The chief point at issue has been Russian competition.

And in the meantime, quite apart from these informal trade deliberations, official delegates to the Imperial conference are facing a similar task—one of the most important from Canada's viewpoint in the entire deliberations—namely the problem of what can be done to meet the juggernaut of Russian competition which in the past decade has been slowly eating its way into the very heart of the British lumber market. The following figures of British imports of Russian timber in recent years are illuminating.

Imports of Timber Materials to Great Britain from Soviet Russia 1921-29 (incl.) (c.i.f. British ports)

1921	$ 847,000
1922	1,762,000
1923	2,903,000
1924	4,932,000
1925	7,322,000
1926	6,608,000
1927	7,006,000
1928	6,881,000
1929	9,875,000
1930	9,601,700
1931	7,084,000

LOWER RATES FOR TEXTILES CONSIDERED

But British Delegation Have Eyes Really on India

HOLD STAPLE LINES

Canadian Group Willing to Co-operate; Protection Wanted on Wage Differential

From Our Own Correspondent

OTTAWA.—British cotton textile interests attending the conference hold to the belief that Canada will make tariff concessions to them, if not of a liberal nature then on a plane to put them in a competitive trade position.

The Canadian government is said to be willing to place the tariff to a lower basis, but consideration will have to be given to the difference in the standard of living between the two countries.

Want Big Cut

The British textile group are said to favor a tariff allowing a 15 per cent preferential in favor of the Canadian industry On the other hand while Canadian textile interests are not adverse to giving the English textile producers a more advantageous position in this market it is unlikely that such a cut in present tariffs will be made as to put the British preferential on a 15 per cent basis.

It will be recalled that the British textile manufacturers sent representatives to Canada a short time ago to discuss with the Canadian producers the question of what concessions could be made to enable the British producers to secure a large share of the Canadian market.

Over-Estimate Market

The Canadians approached the matter with an open mind and were ready to make liberal concession to the British manufacturers. The British based their demands on the assumption that the Canadian market needs were around 400,000,000 yards a year. This figure was disputed by the Canadians who claimed a market of about 300,000,000 yards. Taking the latter figure the British wanted one-third of the market. They wanted free entry on a large number of staple lines and a preferential tariff of from 5 to 10 per cent on the balance of the items.

There was an understandable lack of response to this request. The Canadians pointed out that the "bread and butter" of their business lay in the production and sale of the staple lines. They were willing, however, to give the British producers a wider hand in placing their fancy lines of cotton textiles on the Canadian market, inasmuch as they were probably in better position to produce and market this line of goods. But the staple lines, the Canadians said, were necessary for their own well being.

Protect Wage Earners

They further opposed the lowering of the tariff to the degree suggested by the Britishers. It was pointed out that if the schedule was lowered to a point where they only had a 5 or 10 per cent margin, it would be impossible for them to meet British competition. Stress was laid on the point that wages were considerably higher in Canada than in England and that in

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AUSTRALIAN
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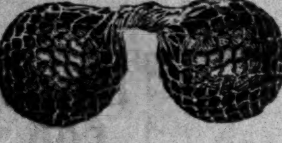
LAWN BOWLS



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THE T. EATON Co. LIMITED

LAKE ST. JOHN PAYS NO INTEREST BOND, DEBENTURES

Bondholders Will Organize Soon—Still Holds Hearst Contract

Lake St. John Power & Paper Co. failed to pay interest on bonds outstanding to the extent of $4,888,000 on August 1. These first mortgage sinking fund bonds due 1947 have been paying 6½ per cent interest. The company also failed to meet interest on 6½ per cent debentures, of which $2,849,000 are outstanding. National Trust Co. is trustee.

It is likely that a bondholder's committee will be suggested and a meeting of bondholders called at an early date. There will be 90 days of grace before the default becomes legal. Interest not paid amounts to $417,720 in the case of the bonds and to $185,185 due on debentures.

Prolonged decline in the value of newsprint and paper product sales is responsible for the failure to pay interest.

Held by St. Lawrence

In the case of Lake St. John Power and Paper, the present company was incorporated in Quebec in 1925 and in 1930 was made a unit under the direction of St. Lawrence Corp., being associated under that holding company with St. Lawrence Paper Mills Ltd., and Brompton Pulp and Paper Company Ltd. Its mills produce newsprint, kraft and box board.

The company has at Dolbeau, a hydro-electric plant with a capacity of 20,000 h.p. It holds under lease from the Province of Quebec 1,600 square miles of timber limits estimated to contain 9,000,000 cords of pulpwood. These limits are located on the Mistassini River, Aux Rats River and Ashuapmouchouan River, all north of Lake St. John.

The company has a power contract with the Duke-Price Power Co., supplying all its power requirements for longer than the term of the bonds.

It also holds under 75-year lease from the Quebec government two water-power sites, one on the Mistassini and the other on the Mistassibi River, both within a mile from the mill.

In August, 1927, a railway 29 miles long was completed, joining the mill at Dolbeau to the C. N. R. line at St. Felicien, Que.

Keeps Hearst Contract

The company has sold its entire output for ten years to the Hearst publications in the United States at a price which fluctuates with the prevailing price of newsprint, but with a maximum and minimum price included in the contract. There was some doubt recently raised with regard to Lake St. John's prior claim to this contract but The Financial Post is informed that all troubles have been straightened out and the position is now much sounder.

Bank of Nova Scotia Achieves Centenary

This month the Bank of Nova Scotia—second oldest banking institution in Canada, celebrates its 100th anniversary.

The first organization meeting was held at the Merchants Exchange Coffee House, Halifax, in December, 1831, and after a stormy legislative battle from opposing financial interests in the city, it received its charter in March, 1832. It opened its doors for business in August, of that year.

Today it ranks as the fourth largest banking institution in Canada with total assets of $262,496,000 and a paid-up capital of $12,000,000. Alone among Canadian banks its reserve is twice its paid-up capital stock. It has 330 branches located from coast to coast and in England, Newfoundland, United States and the West Indies.

Finance Group Is Hit by Death Of W.W. Evans

Death of William Watson Evans on July 30 will affect materially the control and fortunes of Canadian General Securities, of which he was the energetic president and managing director, and of other financing, investment and insurance companies in which he had taken a dominant interest. Some years ago he was successful in securing as a member of his firm the Rt. Hon. Arthur Meighen when the latter retired from politics, and Mr. Meighen as vice-president has taken an active part in directing the affairs of Canadian General Securities and in looking after interests with which that company had been associated. This association will be very valuable to the group of "Evans" companies in the present crisis.

Mr. Evans was president and managing director of Traders Finance Corp., which financed Ford sales in Canada on a partial payment basis, president, Canadian General Insurance Co., president, Picardy Candy Co., president, Canadian Rediscount Corp., vice-president, Toronto Casualty Fire & Marine Insurance, vice-president, City Dairy (Winnipeg), vice-president, Consumers Co., director, Monarch Life Assurance Co., and director, William L. Ross & Co., Inc., Chicago. Most of these have been organized on a basis which permits them to carry on despite Mr. Evans' passing.

Probably most widespread interest of Canadians is in the First, Second, Third, and Fourth Canadian General Investment trusts. First and second trusts were merged as a result of great depreciation of securities following the market debacle of 1929 and 1930 and 1931.

Securities of these trusts were sold throughout Canada and shareholders will await with interest any announcements made in the near future as to conduct and control of these trusts. When markets revive the calibre of the directing intelligence will have an important bearing on the values salved. It is too early to expect announcements but, as changes are effected, announcements will be made from time to time in the near future.

Wheat and Rye Cutting Near Completion in Ontario

According to weekly reports forwarded to the Ontario Department of Agriculture, fall wheat and rye cutting is now about completed throughout Old Ontario. Threshing is general in Essex and Kent, Lambton and Elgin and is commencing in Middlesex, Oxford, Brant and other Central and Western Ontario Counties.

The quality of the 1932 wheat crop is fair and yields are high. Elgin County reports yield of 25-55 bushels per acre. Essex reports yields as high as 45 busheds; Kent 40-48; Lambton 24-40; and Norfolk an average of 30 bushels. Haying operations tsill drag on any many unharvested hay fields are still to be seen in Central and Western Ontario. In fact, there is a greater crop of hay not yet harvested in these districts than in Eastern Ontario which ordinarily averages two weeks later.

The Direct Oil Refineries have purchased several acres in the city of St. Boniface for the building of a refinery for the purpose of distilling and refining petroleum products. It is estimated that building expenditure will amount to approximately $30,000, and when fully organized the company will employ a permanent staff of about 20 people.

The Nation's Business

(Continued from Page One)

the present British preferences, makes it clear that Britain's present preferences are a vast advance upon the McKenna duties, so-called, which were of only meagre importance to this country. Of the goods imported from Canada in 1930, and retained for consumption in Britain, less than two per cent were of a class that received a preference under the former duties. On the balance of imports no duty was charged against Canada prior to 1931 but at the same time there was no preference for Canada since similar goods from any foreign country were also admitted free of duty.

But the recent Import Duties Act and the Horticultural Products Act have changed the situation. Under this act foreign goods are taxed; Dominion goods are permitted free entry. Of the goods imported by the United Kingdom from Canada in 1930, about 2 per cent, as we have seen, were subject to a preferential duty while an additional 54 per cent were of the kinds now admitted duty free from this country although taxed when of non-Empire origin.

The balance of 44 per cent of Canadian merchandise imported by Great Britain was of commodities that are not now free of duty in Britain no matter from where imported.

* * *

MR. BALDWIN'S statement included similar figures for Britain's importations from all the Dominions. The statement is, however, hardly a complete justification of Mr. Baldwin's claim that the figures indicate that the United Kingdom has "consistently" made it easy for Dominion's imports to enter British ports on the best possible terms and that Britain has been eager to give to the Dominions an extensive preference that has helped the Dominions to build up a favorable balance of trade.

Britain has enjoyed a substantial preference in Canada for 35 years on a high percentage of her exports to this country. Canada, until a few months ago, enjoyed a preference on only two per cent of our exports to the United Kingdom and on this total for only the short post-war period. That Canadian goods have entered Britain duty free and without governmental regulation is not to the point; that Canadian goods have entered on exactly the same terms as the goods of all other nations is to the point.

Now we enjoy preference of some kind or another on 56 per cent of the goods we ship Britain for her own use. It has been repeatedly emphasized that these preferences are of a provisional character. They expire November 15 unless renewed. They are valuable to Canada; taken together with the additional preferences now offered by Britain they are worth very substantial concessions by Canada to make our own preference even more effective.

* * *

TOO much is made by Mr. Baldwin of the fact that Great Britain enjoys an unfavorable balance of trade with the Dominions—£96,000,000 for the Empire as a whole and £7,400,000 for Canada. If the Dominions are to continue to pay bills for British shipping; to insure in British companies; to pay interest and dividends on the enormous British investments overseas, there must be this unfavorable visible balance of British trade with the Empire. The Dominions must sell more merchandise to the United Kingdom than the United Kingdom buys from the Dominions in order that the exchange funds to pay these bills may be accumulated. As the London Times Trade and Engineering supplement has just put it:

> "British investments in foreign countries amount to prodigious sums and it is clear that if interest is to be received on these investments Great Britain must be willing to accept imports of merchandise. Since the United States of America became a creditor country it has made the mistake of discouraging payment in the form of merchandise, so that other nations have been compelled to pay in gold, with results well known to everybody. Great Britain must be careful not to repeat America's mistake."

What applies to foreign goods applies to Empire goods.

* * *

MR. BALDWIN points to a situation that the British exporter has always considered a weakness in the Dominions' preferences, particularly in Canada. A preferential duty is useless if it is so high that it restricts importation entirely, he argues. The statement echoes what a leading Britisher said recently when he remarked "What satisfaction does it give you to know that your competitor is drowning in twelve feet of water if you yourself are drowning in eight feet of water?"

But a somewhat analogous weakness is present in the present British preferences. If the Canadian preferential rates are too high to be of value to Britain the British preferences in many schedules are too small to help the Dominions. For instance, a ten or fifteen per cent duty charged against foreign timber products is of no value as a protectionist barrier to Russian shipments. For the same reason it provides no workable preference for the Canadian mills.

What is of importance to Britain in Canada is the exact duty charged against British products and the preference accorded to them in this market. What is of interest to Canada in the United Kingdom market is the tariff or preference under which we can sell to Britain the goods we produce in greatest abundance and on which the British market will be of most value to us. General discussions on average percentages get nowhere. Getting down to specific items is the task of the conference and the bilateral meetings that must follow.

* * *

A DEFINITE trade treaty between Canada and Great Britain with an equitable group of concessions on both sides would be of greater value in reassuring Canadian producers as a whole than even a promise that the provisional duties were to be continued assuming such a promise were officially to be forthcoming.

If Canada's general preferences to Britain are unsatisfactory to Britain, Britain's general preferences to the Empire as a whole do not meet entirely Canada's needs and desires. It would be far better to have a bi-lateral trade agreement between the two countries. After the conference has concluded its efforts it may indeed be that Britain will be granting preferences to Canada quite different from the preferences she will be granting to Australia or New Zealand, just as Canada's present preferences to the British West Indies and to New Zealand bear little resemblance to each other.

Empire Capital and Empire Trade

DIRECTING Empire capital to Empire uses is a subject that the Imperial Economic Conference has before it. British industrialists have urged the "conscious direction of the investment power of the Empire toward the development of Empire resources." But a great deal of nonsense can be and is said and written on the subject of capital investments. We do not include Mr. Baldwin's recent statement on Britain's Empire investments as coming within that category, but it was so brief a reference that it does present uninformed persons with the opportunity to draw incorrect inferences.

When Mr. Baldwin, in his supplementary statement at Ottawa cited the large United Kingdom of investments in the British Dominions he apparently did so in the expectation that the Dominions would regard these Empire investments as an argument for lowered Dominion tariffs on British goods, He said:

> "It is, moreover, a source of legitimate satisfaction that the preferential access to the British investment market which has resulted from the close association between the United Kingdom and the Dominions has played an important part in the development of their resources."

* * *

UNITED KINGDOM capital has flowed naturally to the Dominions for two chief reasons and to the extent that there has been any conscious direction of the flow the same reasons apply.

First, as the Federation of British Industries has pointed out, "the flow of capital from Great Britain into Empire countries has proved more advantageous to Great Britain than has investment in many foreign countries."

Secondly, the United Kingdom has sold to the Dominions a great deal more of goods and services than the Dominions have sold to the United Kingdom and the resulting surplus has been largely allowed to remain in the Dominion for permanent investment. Thus the British investments are the result of preferential buying for the Dominions.

However, to accept Mr. Baldwin's implied argument, if the diversion of British investment funds to the Dominion calls for further preferential tariff action by the Dominions it may also be argued that the kinder treatment accorded the British investor by the Dominions as compared to what has been accorded to him by Russia (which repudiated millions of pounds of British-held bonds), demands an equivalent reward in the form of (shall we say?) a virtual embargo on Russian goods and substantial preferences to the Dominions.

And if the Dominions are to divert their own purchases to the countries that have favored them with the investment of capital, then Canada should continue to buy much more from the United States than from the United Kingdom for the British investment of $1,998,000,000 in Canada is only about half the American capital investment of $3,847,000,000.

* * *

HOWEVER, none of these arguments need to be taken seriously. They are presented merely to show the danger of hasty reasoning. The truth of the matter is that to the extent that capital flow is consciously directed it is toward the places where the investor can look for the safest investments and the largest return. British capital has been invested in the Dominions because the British investor likes to invest in a country whose institutions he understands and because the Dominions have offered him a suitable field to work.

There is another phase of this question that should not be overlooked. Millions of pounds of British capital have been invested in Canada in promotional and contractors' rackets such as some of the early Grand Trunk lines, the Pacific Great Eastern Railway, etc. British promoters foisted on us many large investments that have proven a heavy burden for us to carry. The Canadian taxpayer and the British investor have alike been victimized by British promoters in these cases. It is rubbing it in to ask Canada to be particularly grateful regarding such British investments.

There are many angles to the question of capital flow in its relation to Empire development that may well be explored. Mr. Baldwin suggested one or two of them but in his necessarily brief statement left important phases of the problem untouched.

Possible New Industries Important to Consider

THERE is more to the question of Empire preferences than a consideration of existing industries, important as is this phase of the Ottawa discussions.

The minds of the delegates, and to some extent that of the public, seem to be centred on existing industries in Canada and the benefits that would be received or the damage that would be done by further preferences that may be arranged.

Consideration should be given to new industries that may be created through tariff preferences. It is more difficult to visualize these. If conditions are made favorable, however, industrialists will search out opportunities and quickly commence development.

The British have not gone after business in Canada as energetically nor as efficiently as the United States and some other countries. We are on the ground here and can see this.

The British tell us, and they are probably quite right, that we have not used the resourcefulness and energy that we should in developing business in the British market.

Let us not lose sight of the opportunities that increased preferences will give for the development of new businessses in Canada and the other parts of the Empire.

SILVERWOOD'S LTD. NET WAS $300,040, PAID OUT $309,778

Wrote Off $326,856 for Depreciation — Sales Were $6,640,722

Silverwood's Ltd., in the first complete statement yet made public on its operations, shows net revenue of $300,040 on sales of $6,640,722 after all deductions and write-offs. Dividend payments were $233,125 on preferred, $52,365 on class "A", $9,375 on common, $62 to minority shareholders, or $309,678 in all. The surplus carried forward to the credit of profit and loss was $1,360 on April 2, 1932.

Consolidated Income Account
Year Ended April 2, 1932

	$
Sales	6,640,722
Expenses	5,382,147
Gross profit	1,258,575
Add: Other income	100,135
	1,358,710
Less: Admins. exp.	693,570
Amort. exp.	18,078
Depreciation	326,856
Income tax	20,166
Net profit	300,040
Dividends	309,678
Surplus	*9,638
Prev. balance	10,998
Bal. carried for'd.	1,360

*Deficit.

Current assets include cash on hand at $4,814, cash in hands of buyers and branches of $11,674 and cash in bank $25,263, a total of $41,752. Receivables, less reserve, are shown at $198,304 and inventories at $235,297.

Under liabilities, bank overdraft (secured) is shown at $15,357, bank loans (secured) at $184,400; lien notes payable at $49,163, notes payable $24,094, accounts payable and accrued charges $306,352, dividends payable $58,871, reserve for taxes, $49,011, bonds and mortgage interest accrued at $7,119.

This makes a total of $694,370 in current liabilities with current assets of $526,354.

According to a statement of the Department of Agriculture of the Province of Alberta, 400,000 acres of new land were broken last year and are now under cultivation for the first time.

PARLEY FATE TO BE DECIDED IN NEXT WEEK

(Continued from page 1)

they are quite ready to yield on wheat, being now convinced that a preference quota system for the benefit of the Dominions so far from increasing the price of bread in Britain may tend to lower it for reasons which are thoroughly understood by the more intelligent members of the grain trade of Western Canada.

No Common Currency

In regard to monetary and currency policies, there have been some very interesting discussions and Mr. Chamberlain's statement about British monetary policy, although the project for its immediate publication was killed, is said to have been a very able performance. Apparently a definite agreement has been reached to rule out any decision of a common Imperial currency or even of a central bank of Empire and to concentrate the discussions upon practical measures for the stabilization of inter-Imperial exchanges which can be undertaken with the existing machinery. The British view is that the consideration of policies which would aim at raising the general price level should be left to the international monetary conference is planned and any separate action by the countries of the British Commonwealth might spoil its prospects of success.

Avoid Controversy

The Canadian government on most problems has taken a judicious central position; it has not been so aggressive in the presentation of its demands upon Britain as Australia and New Zealand and it has refrained from participation in the debate of controversial analyses of trade statistics which Baldwin began and Havenga continued. The general impression of the other delegations is that the physical preparations of the Canadian government for the Conference were admirable and beyond criticism, that its documentary and statistical preparations were not inferior to those of the other delegations but that its intellectual preparation has been deficient. The fault seems to lie in Mr. Bennett's disposition to concentrate everything in his own hands and his unwillingness to trust his colleagues with responsibilities and as a result some of the latter when left to their own resources have been unable to hold their own satisfactorily in discussions with other ministers who have been given full responsibility for certain problems from the start.

NO BREAKDOWN OF CAPITALISM AVERS GREGORY

(Continued from page 1)

greatest experts upon international affairs, Arnold Toynbee, of the Royal Institute of International Affairs, London. Mr. Toynbee also asked the question, "Is our economic order breaking down?"

Different countries tended to answer this question differently. Countries, such as the United States and France, which were often held up as the villains of the drama of depression, would answer that this was merely one more cyclical swing from which the world would certainly recover as it had so often done before. But elsewhere opinion differed. A London banker, when recently presented with this argument by a French professor, had emphatically denied the inevitability of recovery. Previous civilizations had passed away; and the position of the Roman Empire, just on the eve of its decline and fall, showed many points of similarity with the present situation.

That empire, covering the whole of the then accessible world, had been built up upon monetary stability, free trade except for revenue duties not exceeding 5 per cent at the provincial borders, and above all upon political stability. Upon these the great economic activity grew and thrived during the first two centuries A.D. When the monetary unit became unstable in value and when the political security broke down, then the highly organized economic system of banks, manufacturers and traders crumbled into impotence.

To Avoid Rome's Fate

From this, Mr. Toynbee concluded that the urgent need today was for just those things upon which the Roman order, like the present order, were founded. If there were not forthcoming; then, indeed, we might be witnessing the beginning of the end. But he did not feel hopeless. Through the League of Nations and other international bodies and treaties, the effort was being made to reach out toward a world order not dissimilar from the world-administration of numerous provinces and city states which once had its headquarters in Rome. And upon the success of such efforts depended the answer to the question, "Is Capitalism breaking down?"

NEWSPRINT PROSPECTS BRIGHTENED

(Continued from page 1)

funded debt. These are the Mersey Paper Co., which has some second mortgage bonds outstanding, and Canadian International Paper, which still looks after the underlying bonds of its Canadian newsprint properties.

Position of Operators

The position of the principal operators is worthy of study, inasmuch as it is expected that before the year is out definite proposals will be brought forward for the rehabilitation of the industry.

Price Bros and Co.'s financial position has been greatly impaired and it is necessary to bring about a reorganization. Lord Beaverbrook took a dominant part in a proposed readjustment scheme, but the failure of creditors to accede to his demands, caused him to drop out of the picture. At present the company is operating around two-thirds of capacity. Its lumber business is badly crippled. There is a power contract with Duke-Price Power Co. which the company would like to see revised, as payments under this agreement constitute a heavy drag on the company. Bank loans shown in the last statement totalled $4,695,500.

St. Lawrence Corp., controlling St. Lawrence Paper Mills, Lake Saint John Power and Paper and Brompton, has probably not been as badly affected as the other operators, due to its low fixed charges. Passing of Lake Saint John bond interest is a possible move in a larger scheme. Consolidated bank loans at end of last year totalled $2,477,957.

First to Reorganize

Consolidated Paper represents the old Canada Power and Paper. Capitalization was substantially reduced. Operations of late have been well below 50 per cent of capacity. Owed banks over $14,500,000 at end of 1930. Not much change for the better since then.

Abitibi, in addition to lessened operations, has had problem of Ontario Public Service Co. on its hands. Earnings have been low. If Ontario Government proposal accepted by Ontario Public Service, company will be relieved of what might develop into a major liability. Loans last reported totalled $3,400,000, but are probably higher now.

Mersey Paper is one of the newcomers to the newsprint field. Location of mill in Nova Scotia at tidewater gives company advantage in Atlantic seaboard market. Unable to carry out financing before stock market break. At end of 1930 had total bank loans of $3,853,000, of which $3,000,000 was secured by first mortgage bonds and the balance under Section 88 of the Bank Act.

Donnacona, formerly a subsidiary of Price Bros. and Co., got into difficulties necessitating a reorganization. Last report showed bank loans of $768,232.

Canadian International Paper is said to have small bank loans with Canadian banks, but the total is probably under $1,000,000.

Full public financing was never carried out on the Maclaren development at Buckingham, P.Q., which covers hydro power and a newsprint plant. There are probably bank loans outstanding against this enterprise, but no accurate information is available as the company does not make public a balance sheet.

Dependent on Banks

As interests within the industry have failed to work out their own salvation, it is interesting to note the position occupied by the banks. The loans mentioned above are, generally speaking, secured under Section 88 of the Bank Act. The collateral consists of current assets, covering individually or collectively such items as woodpile, accounts receivable, etc. In other words, few of these companies have any working capital.

There is nothing to prevent the bondholders exercising their rights, when interest payments have been defaulted. Such a course would make them dependent upon the banks, which have been carrying the operators for some time, for working capital.

Most of the ills of the companies are common to one another. It is for that reason that an independent survey, sponsored by the banks, has been going on for some time. This committee has made considerable progress in collecting data on the industry. With this material in complete form, it is possible that a solution will be found to enable the manufacturers to work their way out of the present unstable position.

Meanwhile, conditions are coming to a climax. Undoubtedly the banks will have a lot to say in what manner the companies are reorganized. The bondholders may exercise their rights, but they will be unable to carry on operations without the assistance of the banks, unless they are able to raise capital from new sources. In any event readjustments must be effected without delay and it would appear that matters are working into hands determined to straighten away present difficulties.

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BRANCHES THROUGHOUT CANADA AND OFFICES IN NEW YORK AND LONDON

DAY-BY-DAY RECORD OF PARLEY HAPPENINGS

(Continued from page 1)

were made. Each delegation to meet separately and decide on its nominees.

FRIDAY, JULY 22

Rt. Hon. Stanley Bruce issues formal statement of Australia's position and submits definite proposals as to what his country is prepared to do in return for reasonable reciprocity. He urges assistance from Britain particularly in regard to meats, dairy products, fruit, wheat, and wool. Meats (including pig products) are specifically mentioned and Mr. Bruce says: "Australia requests and must indeed firmly press for effective assistance from Great Britain." His proposals on behalf of Australia are roughly as follows:

By further reclassification of her tariff, Australia will make available in a preferential way to Great Britain, protected areas in Australian industry which are not being exploited by Australian manufacturers.

She will widen the margin of preference in Britain's favor with respect to admission of essential goods not produced in the Commonwealth.

With very slight exceptions, she will undertake to remove remaining prohibitions and surcharges imposed for financial reasons two years ago.

She will adhere to all preferences now obtaining.

She will give "earnest consideration" to any British requests for additional concessions which are in the power of Australia to make.

Main committee of conference on Promotion of Trade within the Commonwealth meets and appoints Lord Halisham chairman.

MONDAY, JULY 25

Special Sub-Committee of main Committee on Promotion of Trade within the Commonwealth, appointed to investigate effects on Empire trade of "unfair trade practices." Subjects under its scope to include Russian dumping, quotas, prohibitions and all trade practices which may be classed as "unfair."

Sir Atul Chatterjee, of India, appointed chairman of Committee on Economic Co-operation.

Hon. W. Downie Stewart, New Zealand, chosen chairman of Committee on Customs Administration.

Sub-committees set up to study standardization; matters affecting customs administration and customs barriers to Empire trade.

TUESDAY, JULY 26

Committee on Monetary and Financial Questions appoints Hon. H. H. Stevens as chairman.

"Big Committee" on promotion of trade within Empire, gives consideration to Empire "content" question.

"Meat" Committee also meets to hear representations of Australia, New Zealand, Canada, South Africa and Rhodesia, who reach unanimous accord in seeking preference on dairy products from Britain. Coal interests hold meetings to find method of increasing imports of British anthracite to Great Britain.

Joint Conference held in evening at which British and Canadian delegates give frank expression of views as to what each will offer and expects from conference. Bennett for Canada asks wheat preference; Baldwin submits impossibility of embargo on Russian goods but expresses willingness to tax meats and dairy produce and metals while reserving right to protect by quota or preference present customers such as Denmark and Argentina. Baldwin asks Canada to specify exactly what she will offer Britain by way of increased markets for manufactured goods.

WEDNESDAY, JULY 27

Unofficial Announcement made of submission of definite offer to Canada by Great Britain embracing the following points:

1. A preference of three cents per pound on beef and bacon and four cents per pound on mutton.
2. An increase in the existing preference of 10 per cent on butter and other dairy products.
3. A preference on base metals, such as copper and lead.
4. A preference on Empire wheat.

Dominions Emerge from successful "conversations" with virtual agreement to overhaul hide and leather clauses in Empire tariff arrangements. Among other agreements, Canada's tanners propose a reduction from 15 to 12½ per cent in the Canadian tariff against British finished leather goods, in consideration of which the Canadian Government is to remove the recently imposed duty of 15 per cent against all imported hides other than those from New Zealand.

Canadian Wheat Interests after deciding that preference would be of little or no value to Canada are taken aback by request for preference by Prime Minister Bennett and by statement of James R. Murray, of Alberta Pacific Grain, from Winnipeg, favoring preference.

THURSDAY, JULY 28

Great Britain and Rhodesia issue formal statements to the press.

Britain's Statement enjoins Canada on the importance of tariff stability as affecting trade; Australia is inferentially answered on her complaint of United Kingdom taridness in reciprocating Dominion trade preferences; and the Dominions generally invited to submit full and frank statement of trade advantages they are prepared to exchange with Britain. The statement gives a detailed survey of Britain's trade over a considerable period of years analyzing the value of preferences and so forth.

Rhodesian Statement offers Great Britain increased tariff preferences and submits willingness to make similar advances to other Empire countries willing to reciprocate.

Unofficial Reports indicate willingness of Great Britain to remove long-standing embargo on Canadian cattle thus opening way for market for 100,000 head of beef and store cattle.

FRIDAY, JULY 29

Canadian Delegation busy preparing details of tariff concession which Canada will offer to Great Britain.

Committee on Empire Currencies spends busy day discussing Australian and New Zealand echange rates; the gold standard and the relation of the whole question to commodity prices.

Canadian and South African and Rhodesian producers reported to have reached tentative agreement to ask for prohibitive tariff on copper from outside British Empire.

SATURDAY, JULY 30

Hon. N. C. Havenga replies sharply to Britain's claim that the Dominions annually sell her $500,000,000 more goods than she sells the Dominions.

MONDAY, AUGUST 1

No Official session on account of Civic holiday but Canadian committee under chairmanship of Hon. E. N. Rhodes busy preparing Canada's quid pro quo in reply to Britain's offer of previous week.

TUESDAY, AUGUST 2

R. B. Bennett appears before press correspondents and gives optimistic recital of accomplishments of parley to date. Briefly summarized his remarks and answers to questions put before him are as follows:

(1) Mr. Bennett foreshadowed "results"—in due time—in 10 days.

(2) He answered in the affirmative, also, when asked if in his opinion the conference could conclude its labors by August 20.

(3) It is Canada's firm conviction that there "must" be a preference given by the United Kingdom on Empire wheat. "Must" was not used imperatively, he said. The preference may be quota, duty, or both.

(4) "Unfair" competition, generally interpreted as a reference to Russia, could be met without prohibition. (This being taken to indicate that duties could be placed against Russian wheat, lumber, etc., without resorting to embargo.)

(5) Instead of 8,000 items for the Canadian free list, the total is 9,553, and many of them differ "only in vowels."

(6) The conference is giving consideration to the idea of an Empire bank, as a medium of exchange, or clearing, not as a medium of currency.

(7) As to textiles, Canada will encourage imports from Britain so far as it can be done without impairing any efficient Canadian industry, Canada's cotton industry being "among the most efficient in the world."

(8) The conference is harmonious.

(9) There will in all likelihood be a fall session of Parliament and it may be that not until then will Canada's undertakings become known in detail.

British and Canadian lumber interests reported to have reached joint agreement after two weeks of deliberations and ask increase in British preference from 10 to 20 or 25 per cent.

*What Canada Seeks From Britain**

(1) A preference on wheat suggested at four cents a bushel.

(2) A tariff on meats which would range from three cents to six cents with possibly some revision for rebate to Argentine shippers.

(3) A preference on barley which would be helpful to Ontario and Manitoba farmers.

(4) A tax on dairy products from outside with about a four cent butter preference to the dominions along with a form of quota reducing Danish and other foreign imports into Britain to the 1930 scale. This would reduce such foreign imports by about 20,000 tons.

(5) Continued preferences on canned fish, fruits, wines and other products now enjoying preferences.

(6) A preference on lumber and probably some form of quota which would control the amount of Russian imports.

(7) A preference on copper.

(8) Certain preferential tariffs on manufactured or processed products which Great Britain does not make for herself. In this list would be certain chemical products such as cellophane.

*What Britain Seeks From Canada**

(1) An increase in the Canadian duty on U. S. anthracite from 40 to 75 cents a ton.

(2) A 33 1-3 per cent reduction in Canadian duties on British cotton and cotton cloth, which now average from 20 to 25 per cent ad valorem, plus an impost levy of three cents a pound.

(3) The placing on the free list of a selected list of British cotton goods of a type not now produced in Canada or imported mainly from foreign countries.

(4) A reduction of one-third in the import duties on British woollen and fine worsted cloths and in the specific tax of 25 cents a yard.

(5) A uniform reduction in imports duties on British electrical equipment, porcelain and machinery, with free entry for some items.

(6) Free entry for chemical products from the United Kingdom now imported largely from foreign countries.

(7) The elimination of the provision in the Canadian customs administration for tariff fluctuations through Orders in Council.

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*Note—The above summaries show unofficial proposals reported to have been set forth as a basis of discussion between Canada and Great Britain. These cover the situation up to and including Tuesday, August 2. The publication of Canada's official statement expected this week may doubtless alter these summaries to some degree.

Hardware Trade Supplied With New Electric Bulb

In the midst of the vacation season, hardware retailers report considerable of their sales volume concentrated on the necessities of the camper and tourist. Camp stoves, flashlights, grids, vacuum bottles and jugs, fishing tackle, sporting goods, and allied products all occupy a place in this activity. There is a major portion of the demand centred in medium-priced equipment, according to most hardwaremen. There are numerous visitors from U. S. A. touring the Canadian highways, and certain lines of hardware, including cutlery, novelties and chinaware, are selling to these motorists, states Hardware and Metal, Toronto.

The new 500-hour lamp made by Canadian manufacturers is being introduced this week. These come in 30 and 60-watt sizes in the inside-frosted type, and in 30-watt size, available in five colors. The suggested resale price to the consumer is 15 cents each for the inside-frosted lamps and 20 cents each for the colored variety.

Prices on standard grade lamps are quoted without change to the trade, and preparations are being made for the heavier selling season ahead.

Engineer Gold Mines Seeking Resuscitation

Engineer Gold Mines, whose property at Atlin, B.C., was touted by Charlse V. Bob, of New York, as "the world's richest gold mine," resulting in skyrocketing of the stock to $110 per share, is to be revived if plans of officials materialize.

The notice sent to shareholders says the company has acquired the Tahoma gold mine at Atlanta, Idaho. In order to finance, shareholders are requested to subscribe for 250,000 shares at 40 cents per share. The indebtedness is said to be $215,000 Of this $40,000 must be paid in cash, while creditors with claims totalling $175,000 have the option of taking up 350,000 shares at 50 cents per share.

FLOUR IS KEY TO ARGUMENT ON WHEAT TAX

(Continued from page 1)

trade. The most extreme view on one side is that it might prove a definitely bearish factor in the world price of wheat, that on the other side that it might either definitely advance the world price of Canadian wheat by several cents a bushel, and show up as an increased price differential for Canadian wheat in all markets, or else result in greater quantities being sold in the British market. Perhaps the more general opinion would be that it would not be significant, advantages at some times being balanced against disadvantages at other times. Evidently the Canadian Government accepted the view that the advantages would decidedly outweigh the disadvantages.

Once that view has been accepted there is no reason to suppose that the Canadian Government will recede from its position. But that is far from making the preference an accomplished fact. If Great Britain grants it, it might be with the stipulation that she retained liberty of action to extend it to other countries and especially the Argentine, should circumstances warrant, which would presumably decrease its value in the eyes of the Canadian Government, but might increase its trading possibilities when the time comes to negotiate with the United States.

But the real difficulty probably centres around the flour trade. There is no delegation in attendance at Ottawa more insistent or hopeful than that of the British millers, who hope to see a duty enacted against Canadian flour, and it is quite well understood in Ottawa that to allow such a duty to be imposed would be a blow not only against a Canadian industry, but against the interests of wheat producers. To tax the foreign wheat which British millers buy to mill would be to lend weight to their claim for protection, and to save the free British market for Canadian flour it might well prove necessary to drop the idea of preferential treatment for Canadian wheat.

British Like Quota Best

There is also the possibility that the British Government will take the stand that if anything is to be done about wheat they wish to do it by quota. There is a certain predilection on the part of at least some of the British Government in favor of quota schemes, as is shown by the fact that when the British wheat grower was bonused by a guaranteed price on his wheat, the funds for which come out of a tax on all flour sold in the United Kingdom, the tax was not called a tax but a "quota payment." And any quota scheme for wheat would almost certainly be accompanied by proposals for a quota on Canadian flour.

There is partly at issue the question of the flour which is to replace in the British market the flour formerly milled in bond at Buffalo from Canadian wheat. When the British duty was imposed against foreign flour, leaving Empire flour free, that business tended to come to Canada, to increase the quantity of Canadian milled flour sold in Great Britain and to leave unchanged the total quantity of Canadian wheat milled in North America for the British market. The British millers think they should have fallen heir to the business of which the United States millers were dispossessed. If they accomplish this it will mean definitely less Canadian wheat milled for the British market. It will also make it easier to mill somewhat inferior flour in Great Britain by using less Canadian wheat, since the imported flour milled from straight Canadian wheat tends to keep up the demand for high quality flour.

It will be surprising if a good deal of the discussion about wheat does not hinge upon the retention of the open market for Canadian flour.

BIG TRADE IN CHEMICALS UNDER FIRE

(Continued from page 1)

cent came from the United States. Outside Britain, Canada and British India are the largest individual importers of chemicals in the Empire the annual average imports of each of these countries amounting to between $25,000,000 and $35,000,000 in recent years. Australia comes next with average annual imports (prior to 1931) of roughly $20,000,000. Great Britain's exports in the peak year 1929 reached over $130,000,000.

From Canada's point of view any change in the world trade in chemicals which might come about as a result of the conference would have very important repercussions in the United States. Manufacturing plants located chiefly along the Niagara frontier, in the Newark district and in St. Louis and Philadelphia, would be affected. Many U.S. chemical firms have plants on the Canadian side, however. American Cyanamid, for instance, has a huge plant just outside of Niagara Falls, Ont., which will take care of that company's export business. Others similarly protected include the du Ponts, Parke Davis & Co., Mellinkrodt, Merck, Squibbs, and Wampole.

In this connection an analysis of the huge Empire market in chemicals as seen from the viewpoint of the United States, is of interest. Such an analysis was just published last week by the United States Department of Trade and Commerce.

It points out that the British Empire is an outlet for 40 per cent or more of total United States exports of chemicals, with United Kingdom and Canada accounting for 30 or more per cent of the total trade. Until 1928, the United Kingdom was the largest buyer followed by Canada, but in that year Canada supplanted Great Britain as the outstanding single purchaser and has maintained that position.

Both countries are buyers in large quantities of rosin, turpentine, sulphur, industrial chemicals, and industrial-chemical specialties as well as the highly finished products, paint, medicinals, and toilet preparations. Until 1927, Australia gained a prominent position as a customer of the United States but a heavy decline in her purchase of sulphur, rosin, and turpentine, cut her imports substantially in 1929.

How this trade developed between 1913 and 1929 and its present status, is shown by the following:

United States Chemical Exports to British Empire Countries
(In thousands of dollars)

	*1913	1929	†1931
Irish Free State	......	319	296
United Kingdom	15,129	28,391	21,722
Canada	8,935	33,186	24,452
British Honduras	64	83	107
Newfoundland & Labrador	181	557	475
Bermuda	62	154	188
Br. West Indies	339	1,031	923
British India	545	3,993	2,730
British Malaya	183	613	331
Ceylon	......	214	230
Hong Kong	1,719	2,885	2,335
Australia	1,914	6,756	2,095
New Zealand	379	1,894	938
Br. East Africa	5	64	76
Union S. Africa	679	2,922	1,748
Other	93	230	284
Total	30,227	88,292	58,930
Total, U.S. chemical exports	79,225	203,207	130,607

*Fiscal year ended June 30.
†Includes soaps and cleaning preparations.

According to this survey, Canada has been the largest buyer of chemicals in the United States since 1928, with her purchases steadily advancing. In both 1927 and 1931, Canada stood first as a buyer of industrial chemicals, taking more than twice as much as either the United Kingdom or Germany, the next largest customers. Canada is first in the fertilizer trade, second as a consumer of pigment, paints and varnishes and toilet preparations in the industrial chemical group, Canada took almost all the calcium chloride exported, more than one-third of the synthetic organic chemicals as well as the largest amount of agricultural insecticides and other chemical specialties.

Leading items of Canada's purchases last year from U.S.A. and Great Britain follow:

Canada's Imports of Leading Chemicals in 1931

	From United States	From Great Britain
Acids	$527,000	$265,000
Cellulose	216,000	55,000
Disinfectants	495,000	84,000
Dry medicines	886,000	530,000
Liquid medicines	176,000	98,000
Aniline-tar dyes	907,000	133,000
Explosives	286,000	31,000
Fertilizers	2,019,000	25,000
Oxides	552,000	165,000
Zinc oxide	402,000	125,000
Soap	705,000	105,000
Cosmetics	639,000	191,000

SEEK TO UNIFY EMPIRE SCALE OF "CONTENT"

(Continued from page 1)

what percentage of Empire labor and materials must be used in order to qualify for preferential treatment within the Empire. This difference arises in two ways; firstly as to the actual percentage which the different countries require; secondly, as to whether the "content" requirement applies specifically to domestic manufacture or whether it embraces the wider sphere of Empire manufacture. To elucidate the latter point, it may be explained that Canada, Great Britain and South Africa, which allows the greatest latitude in the matter of content restrictions, permit raw materials and labor from any other Empire countries to be included in the content percentage. Thus a rubber tire fabricated in Canada, would be allowed, for purposes of export to South Africa or to Great Britain, to include the value of the raw rubber or cotton which went into the manufacture of the article, as long as that cotton or rubber had come from another Empire country.

At the other extreme, however, is Australia whose content requirements are the most restricted of all Empire countries and who requires that in order to qualify for Empire preference, merchandise must be produced wholly within the country of export. In other words, Australia says that no labor or materials coming from other parts of the Empire can be included in an article which desires to qualify as a Canadian export, unless 75 per cent has been wholly applied in Canada.

Others More Lenient

Midway between these two interpretations is New Zealand with a different and wider qualification which says that as long as the required percentage can be made up by labor and materials from countries which enjoy the British preferential tariff, the merchandise will qualify for preferential treatment.

This then is one broad point which delegates will attempt to straighten out toward the end of making it easier for Empire countries to trade with one another. The other broad point is as to the content percentage itself.

Australia Again Highest

Here again Australia has set up a figure which is almost a tariff barrier in itself and is looked upon in many quarters as a definite bargaining weapon which that country can and will use to her advantage in the present deliberations. For not only does Australia restrict her content law to the country of export as outlined above, but she requires a content of no less than 75 per cent.

At the other end of the scale come Great Britain, South Africa and Irish Free State with a 25 per cent content figure, although in the case of Great Britain there is a long list of important exceptions, such, for instance as optical goods for which the requirement is 75 per cent. Canada's requirement is now 50 per cent but an important exception has been granted at the request of textile manufacturers in United Kingdom, the percentage on cotton yarns being now reduced to 33 per cent, owing to the fact, that much of Britain's raw material has to be imported from foreign countries. New Zealand's requirement is 75 per cent.

Basis of Computation

Still another point of controversy is in regard to the manner in which the content requirements is computed. In Canada the interpretation placed on the 50 per cent requirements clause is that it shall be taken as one-half the factory or works cost. It is understood that all the delegates are now agreed that this shall be the accepted basis for Empire practice.

So far all meetings held by this conference subcommittee have been highly satisfactory and it is believed that considerable progress will be achieved toward much-needed simplification in this regard. Considerable time has been spent in exploring the possibilities of two obvious alternatives, namely the comparative advantages of high Empire content with exceptions downward in regard to certain commodities and on the other hand, low Empire content with exceptions upward.

Another question arising relates to direct shipment, and it is now the practice for a Dominion importing goods to insist upon the final processes being carried on in some part of the Empire.

Transportation Keynote of Nova Scotia's Brief

By Staff Editor

OTTAWA.—One of the principal planks of the brief submitted by the Province of Nova Scotia to the Dominion Government for consideration in connection with the Imperial Economic Conference deals with the matter of transportation. Nova Scotia with its all-year round water and rail shipping facilities is vitally interested in the matter of transportation and believes that direct means of transportation and communication are fundamental to the success of any arrangements that might be made with regard to the development of Inter-Empire trade.

According to Premier G. S. Harrington, the suggestion put forward by the Nova Scotia Government to the Federal Government is somewhat along the lines of those arrangements now existing between Canada and the West Indies. Under the trade treaty promulgated a few years back West Indian shippers do not gain advantage of the special preferential tariff unless their goods are shipped in Canadian or British bottoms to a Canadian port.

What Nova Scotia wants in the present instance is much the same sort of an agreement, i.e., special concessions are to be given by Canada to the United Kingdom or the sister Dominions, then the resulting increase in traffic should be handled by British ships through British ports.

Help Principal Industries

Nova Scotia's brief also refers to other factors calling for attention. The lumber industry, in particular, is badly off and any arrangement which can be entered into, especially with the United Kingdom, would prove no small boon to Nova Scotia.

In respect to coal, Nova Scotia does not want any concession given that will affect processed bituminous coal. Within the past few years there has been considerable development of the coke industry in Nova Scotia, as well as the shipment of Nova Scotia coals to Montreal for coking purposes. Any change in the present scheme to the benefit of anthracite producers, therefore, might have an adverse effect on Nova Scotia's industries.

Data was also submitted by Nova Scotia on the question of fruits and fish.

In summing up the Nova Scotia brief stated that no business should be taken away from Canada to build up new industries in other parts of the Empire. In other words, preferences for Empire products were in order as long as they were not at the expense of established Canadian industries.

LOWER RATES FOR TEXTILES CONSIDERED

(Continued from page 1)

order to maintain the present standard of living among the Canadian cotton textile workers, it was necessary that they have the present margin of protection afforded by the tariff.

Figures were put forward by the Canadian group showing that the average weekly wage per worker in Canada was around $15.65, whereas in England it was approximately $8.45. Some slight adjustment would have to be made in these figures to make on a wholly comparative basis, however, owing to the difference in length of hours worked per week in Canadian and English mills. These figures, however, show that at par of exchange there is a difference in favor of the English mills of 65 per cent while on a basis of the current rate of exchange the difference in favor of the English manufacturer is near 90 per cent.

To some extent this is offset by the Canadian special currency duty, but still the British manufacturer has a preference in exchange of around 7½ to 8 per cent, or the difference between $4.40 (the fixed value of the £ for special duty purposes) and $4.86 2/3. This extra preference should be deducted from the percentage duty collected in calculating the net "protection" afforded by existing tariff rates on imports from Great Britain.

The British delegation disputed these figures claiming that they were inaccurate. In reply it was stated that all the figures came from official sources, those on the English wage scale being from the British Government's Official Census of Industry covering the period of 1924 to 1930. On top of that there was an independent investigation of the wage scale, the average 32 monthly figures between September, 1929, and April, 1932, being with 2 per cent of those shown in the Census of Industry.

British delegates at the Conference are hopeful that the Canadian government will make concessions to them in the way of lowered tariffs. But in view of the arguments put forward by the Canadian textile group it is doubted if any wide divergence will take place from the present schedule on staple lines, at least.

Is Looking to India

The opinion holds, however, that any concession by Canada at this juncture is only a step toward a more important goal by the British manufacturers. The biggest market in the world for British cotton textiles lies in India. The development of the Lancashire industry may be said to have been due to the tremendous purchase of cotton textiles in the Indian Empire.

This market today, however, is far from being what it was a decade back. The activities of Gandhi, who is generally reported to have been financed by the Indian textile interests, resulted in a boycott of British goods, with the result that the Lancashire cotton manufacturers lost a great part of their principal market. In turn the Indian textile producers did not fare so well, for the boycott on British cottons worked to the advantage of Japanese manufacturers, who stepped in and secured a large share of the market. Indian manufacturers are far from being pleased at this development as they are not in a position to meet the competition set up by the Japs.

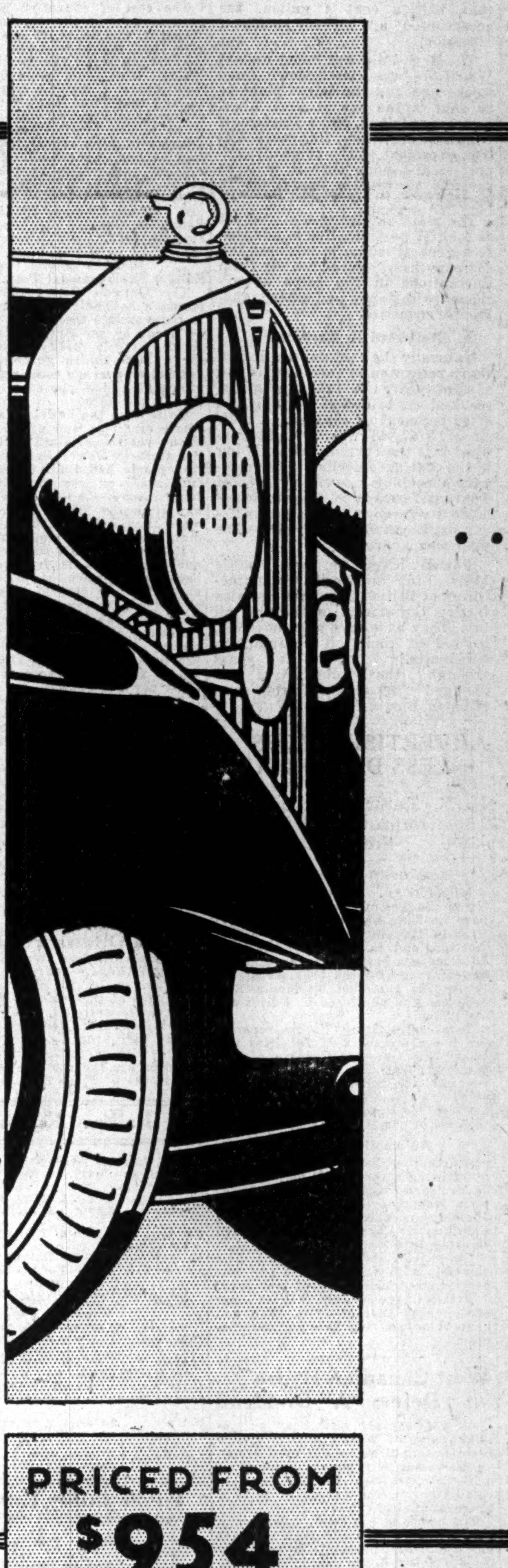
Start Ball Rolling

This is the situation as it stands today. The Lancashire interests have not for one moment given up hope of re-establishing themselves in the Indian market. They are hopeful that at the Ottawa Conference they will be able to secure some concession from Canada. Given this they will be well on their way to success. With Canada setting a precedent, it is felt that India will be put in a position of having to co-operate to the same extent as the other Dominions. The argument might be used that the success of the Conference depends upon a spirit of co-operation and with Canada leading the way in giving England more favorable terms on textiles, then India should follow suit.

After all the Canadian textile market is relatively unimportant to the British textile industry. They are not as much concerned with getting a larger share of this market, as they are with regaining their place in the Indian market, which offers them an outlet for their products far in excess of anything that Canada might have to give.

Purchase Tinplate from Wales

Approximately 25,000 base boxes of tinplate are used each year by the Canadian lobster canning industry, practically all of them being purchased from Wales.



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Utilities and Transportation

CANADIAN PACIFIC OPERATING INCOME UNDER LAST YEAR

Big Economies Offsetting Decline in Gross Revenues

From Our Own Correspondent

MONTREAL.—Further cuts in operating expenses are reflected in the monthly reports of the Canadian Pacific Railway, but net returns continue to run appreciably under those reported a year ago.

During June last there was a gross operating income of $10,496,801. This was $2,225,534 less than for the same month in 1931. Operating expenses during the same period were cut from $10,802,511 to $8,918,185. Net income for June 1932, therefore, amounted to $1,578,616, as against $1,919,823 for the same month last year, a decline of $341,207.

Cumulative returns for the first half of 1932 show gross operating revenues of $58,045,299, a drop of $14,265,037 from that reported for the corresponding period in 1931. Operating expenses were cut from $65,503,977 to $52,793,420, leaving net operating income for the six months at $5,251,879. This compares with $1,554,480 for the first half of last year.

Prospects for Fall

Prospects for increased traffic in the fall months are shaping up rather hopefully. Indications now point to an above-average grain crop in the West. Preliminary estimates are for a wheat yield of between 400,000,000 and 500,000,000 bushels. Efforts are being made to market the new crop as soon as possible, which, if successful, will fatten up returns for the fall months.

Early marketing of the crop and the resultant influx of new money into the West will have a widespread effect on business throughout the country. Those industries catering to the Western farmers have been on a part time basis and a return of buying power would be the means of increasing the flow of traffic from the east to the west and in turn bolstering up the railway's declining revenues.

NATIONAL SYSTEM CURRENT INCOME ON BETTER SCALE

Net Income for Half Year Well Ahead of 1931 Returns

From Our Own Correspondent

MONTREAL. — Net returns of the Canadian National Railway System for June 1932 showed a marked improvement over those reported for the same month a year ago. There was an improvement of $1,332,861 in net revenues for June of this year despite a heavy drop in gross receipts, according to an interim report issued by the company.

Gross revenues in June were $12,437,076, a decrease of $2,799,154 or 18.37 per cent from the gross revenues of June last year. Operating expenses, however, were cut by $4,132,015 or 26.93 per cent. The result was that the railway had net revenues for the month of $1,227,856. This compared with a net revenue deficit in June 1931 of $105,005, a betterment of $1,332,861.

The operating ratio for June 1932 was 90.13 per cent as against 100.69 in June last year.

Decline in Gross Offset

Cumulative returns for the first of 1932 show a substantial improvement in net operating income. For the six months period the Canadian National had gross revenues of $70,187,818, a decrease of $18,087,808 or 20.49 per cent compared with the first half of 1931. Operating expenses for the first half of the current year were $67,779,143, a decrease of $19,167,447 or 22.05 per cent from the corresponding period of 1931.

Net revenue of the Canadian National for the first half of 1932 was $2,408,674, as against $1,329,085 in 1931, an increase of $1,079,639 or 81.23 per cent. The operating ratio for the first half of this year was 96.57 per cent against 98.49 in the same period of 1931.

C. I. L. CONTRACT CONSTRUCT NEW HAMILTON UNIT

Plan Large Scale Output of Liquid Sulphur Dioxide

From Our Own Correspondent

MONTREAL.—Contract has been let to Anglin-Norcross, Ontario, Ltd., by Canadian Industries Ltd. for the erection in Hamilton of a plant unit for the manufacture of liquid sulphur dioxide.

A few weeks ago announcement was made by Canadian Industries that it had erected an experimental plant at Hamilton for recovery of sulphur dioxide from waste gases. The plant was the development of a new method whereby sulphur dioxide may be separated from waste gases and liquefied. The experimental plant proved so successful that it has been supplying a portion of Canadian requirements for liquid sulphur dioxide, the product being shipped in steel containers.

Large Scale Operations

The awarding of the contract indicates that the company is now ready to proceed with the erection of a commercial plant to produce liquid sulphur dioxide on a large scale.

No details are available at the moment in respect to the capital investment of Canadian Industries in this new enterprise. The large sums already spent on experimental work indicate that considerable importance is attached by the company to this enterprise.

Surplus Power for Steam Is Abitibi Canyon's Hope

Large and Growing Use of Electric Heat Generators in Canada is Essentially Canadian Achievement — B. A. Malkin Describes Various Plants

As the whole Ontario Power Corporation project at Abitibi Canyon seems to have turned for the most part on the advantages to the company of utilization of electric power for steam generation, it is interesting to consider the experience of other companies with electric steam generators in Canada. A paper on the subject was read recently before the Toronto section of the American Society of Mechanical Engineers by B. A. Malkin, chief engineer, Paper Machinery Department, of Dominion Engineering Works.

Mr. Malkin's article had to do with the very important subject of trying to find an adequate outlet for the large surpluses of power now available because of the development of hydro-electric enterprises. He points out that these large surpluses of power would, if not used, be just so many idle generators and so much more water over the dam.

Is Canadian Achievement

In the case of Abitibi Power and Paper Co. which is not referred to by Mr. Malkin, it has been evident from the first that the only way in which this power could be of use to the company would be by selling a large block so that the balance or surplus of power would be available at low cost. In all the other enterprises where it is used, this has been regarded of the first importance. Use of surplus power for steam conversion has in every other case been a supplementary rather than a primary market for power. As needs of industry grow for power, use for steam conversion will gradually diminish, but in the meantime it is a valuable outlet.

Mr. Malkin gives credit to F. T. Kaelin, of the Shawinigan Water & Power Co. for the introduction of steam generators into Canada about 1921 or 1922. While there had already been a number of installations in Europe for the electrical generation of steam, particularly in Switzerland and Sweden some installed nearly 30 years ago, those European boilers were built in capacities only up to 2,000 k.v. Mr. Kaelin, after close study and experiment, produced a three-tank generator which has made possible the high voltages and large capacities in use today, voltages as high as 13,200 volts being in successful use and capacities up to 42,000 k.w. or 4,200 boiler horsepower in a single unit.

"It should be a matter of pride to us," says Mr. Malkin, "that the development and use of electric boilers of large size is essentially a Canadian achievement, as nowhere else in the world are these boilers in such wide use as in Canada, and their design and development has been carried out by Canadian companies.

Used For Decade

"For high voltage and large capacity the water resistance type of generator is the only practical one," he continued. "In this type, electrodes are submerged in the water and heat is generated by the passage of the current through the water between the electrodes, the water itself forming the resistance. Alternating current only can be used, as direct current would decompose the water, oxygen and hydrogen being given off at the electrodes."

Boilers of this type are built in Canada by Dominion Engineering Works and Canadian General Electric Company. Boilers of this description were built for the Shawinigan Water and Power Co. and also installed in the mill of the Laurentide Paper Company at Grand'Mere. These have been in operation about ten years. Since that time Dominion Engineering Works, which produced the first two, has built 93 units totalling 910,000 boiler horsepower capacity. The Canadian General Electric Company introduced an electric boiler incorporating some novel features in 1924 and they have installed 37 boilers totalling 190,000 k.w. in Canada, making a total of over 1,100,000 k.w. for the two companies. Canadian General Electric generators have built with capacities as high as 20,000 k.w. and voltages up to 12,000. Canadian International Paper Company's mill at Gatineau, Price Bros. Ltd. and James MacLaren Company, Buckingham, Quebec, Spruce Falls Power and Paper Co. at Kapuskasing, Ont., are among the companies using generators.

Can Use Only Surplus

In discussing the direct comparisons between the cost of coal and power Mr. Malkin says that, generally speaking, to use power which could be sold for any other purpose to make steam is not commercially practicable. In other words, the electric steam generator is essentially a surplus power proposition. Used in this way, it can effect large savings to industrial companies and can be a source of considerable revenue to the power companies. The surplus power may be seasonal, off-peak, week-end, or due to industrial depression or to too rapid hydro-electric expansion.

"For industrial companies operating their own power plants, or purchasing power at a flat rate to cover maximum demands, the installation of electric steam generators results in a direct saving equal to the cost of the steam generated should it be generated by fuel boilers.

Must Compete With Coal

Mr. Malkin states that the most interesting development is the use of electric steam generators by power companies enabling them to sell unused power. This power, has, of course, to be sold at a rate low enough to compete with coal, but even at this low rate, with the large amount of surplus power at present available, a very large addition to the revenue can be obtained. The power may be sold as secondary power at a low rate, but some power companies have considered this inadvisable, and to overcome this objection a scheme has been devised whereby they sell steam to the consumer at a price a little less than the cost of producing steam from coal, the consumer also having the advantage of lower labor costs. In some cases, the power company owns the boiler and contracts with the consumer to operate it and use such power as is available from time to time for generating steam. The power company reserves the right to withdraw the power at any time, provided it gives the consumer sufficient notice to bring his steam-fired plant up to capacity. This method of disposal of secondary power has only been exploited to any extent in Quebec. One large Quebec company during 1929 and 1930 reported that it had produced 2,741,000,000 pounds of steam electrically for its own use. Assuming a very low figure of 25 cents per 1,000 pounds cost of the steam produced by means of fuel boilers, the saving indicated would be about $700,000 for two years' operation. On the basis of steam at 30 cents this would be $820,000.

Paper Mills Use Most

The largest users of electric boilers, Mr. Malkin points out, are the paper mills. Some 87 per cent of the installed capacity of electric boilers are in the paper mills. Many industrial plants of all types use steam in large quantities so that the utilization of electric boilers is dependent on the available surplus power. Electric boilers are to be used only where there is a surplus of power, and while the returns are not as great as if the power were sold for power purposes, they represent clear profit after due allowance for the cost of the boilers has been made.

Of the electric steam generators in operation in Canada, 82 per cent of the installed capacity is in Quebec. The Shawinigan Water & Power Co. especially has 24 installations on its lines, totalling 334,800 k.w. not including those installed on the lines of the Montreal Light, Heat & Power Co. which buys power from Shawinigan and which has installed 27,000 k.w. for its own use.

Quebec Leads

The general distribution of electric steam generators is as follows:

Quebec—58 generators, totalling 808,150 k.w.

Ontario—24 generators totalling 174,450 k.w.

Manitoba—33 generators totalling 64,600 k.w.

British Columbia—7 generators totalling 20,750 k.w.

Other locations—4 generators totalling 38,000 k.v.

This gives a total of 126 generators totalling 1,105,770 k.w. capacity.

The figure of 808,150 k.w. for Quebec represents 26 per cent of the total hydro-electric installed capacity in that province and the 174,450 k.w. for Ontario represents 7½ per cent. These figures do not include boilers of less than 50 k.w. though a large number have been installed chiefly in laundries and for heating of office buildings and houses.

The paper mills have an installed capacity for 822,300 k.w., about 90 per cent of the total. Several of the larger mills use electric steam almost exclusively.

This article makes it evident that Abitibi Power and Paper Company proposals for steam conversion at Iroquois Falls and Smooth Rock Falls plants were in line with growing practice among large power and paper companies. The only difference is that in Quebec and in other places the object was to use existing surplus power for this purpose whereas the Abitibi Canyon project was started and an arrangement made with the Ontario Hydro-Electric Commission to take 85,000 to 100,000 horsepower in order that there would be a large surplus for this purpose.

United Towns Electric Developing New System

From Our Own Correspondent

MONTREAL.—United Towns Electric Co. is carrying out extensive developments at Heart's Content, Newfoundland, following the taking over of the power plant at that point from the Public Service Co. on July 1 last. The company is running a transmission line to connect the Victoria hydro development with Heart's Content so the plants will be able to interchange power. Changes are to be made at Carbonear, Harbor Grace and Heart's Content to do away with overlapping in the service.

At Holyrood, United Towns Electric has installed transformers for the new cold storage plant, which is rapidly nearing completion.

United Towns Electric now has a developed water supply of 10,400 h.p., distributed as follows: Heart's Content, 2,200; Victoria, 1,600; Lawn, 500; Seal Cove, 4,600; and Topsail, 1,500.

Robinson Joins Committee on Northwestern Power

From Our Own Correspondent

MONTREAL. — W. Wynne Robinson, of National Trust Co., Montreal, has been added to the Bondholders' Protective Committee of the Northwestern Power Co. Mr. Robinson represents an important group of large Canadian bondholders.

It will be recalled that early in the year Northwestern Power announced that it would be able to pay interest charges only in the Canadian funds. This was done, but owing to protests, scrip was given to bondholders to cover the difference between Canadian and American funds, the trust deed calling for payment in the latter funds. The mid-year payment was passed, necessitating action on the part of the bondholders to protect their interests.

Avalon Telephone Co. Adding to Facilities

From Our Own Correspondent

MONTREAL. — Avalon Telephone Co., of Newfoundland, is installing at Heart's Content a telephone central which will connect Old Perlican to Winterton. A copper telephone line will be constructed from the Carbonear exchange to the new Heart's Content exchange. This will greatly increase telephone facilities on the south side of Trinity Bay.

The company has also completed its plans to gradually replace the present wooden poles with concrete poles on its main lines.

FRASER'S SCHEME MAKES PROGRESS APPROVAL NEAR

Three Classes of Security Holders Vote on Plan

From Our Own Correspondent

MONTREAL.—Little remains to be done in clearing the way for court approval of the reorganization plans of Fraser Cos. and its subsidiary, Restigouche Co.

The plant in its original form was far from meeting the unanimous approval of the different classes of security holders. Opposition was voiced to several features of the scheme and after various amendments, holders of the three-year notes were the first to pass approval. The first mortgage holders were next to give their consent, followed by the debenture holders.

It now remains for the common shareholders of Fraser Cos. to pass on the scheme. A meeting will be called shortly and the approval of the shareholders sought.

Approve Amendments

Approval by this class will precede application to the court for an order making the reorganization plan effective. In the meantime it is expected that notices will go out in due course calling further meetings of the Fraser bond and debenture holders, whose interests may be said to have been affected by certain material changes in the amendments to the original scheme. When such meetings have endorsed the plan the court will be asked for its approval.

The first mortgage bondholders of Restigouche, a subsidiary of Fraser, have approved the plan with the amendments accepted by the holders of Fraser securities. The plan provides that the present bonds will be exchanged for new first mortgage bonds of the Restigouche Co., which are to bear interest at the rate of 6 per cent per annum and will mature February 1, 1948.

NEW FUEL TAX FORCES CLOSURE B. C. PULP'S PLANT

Operations May be Resumed in Fall of Year

From Our Own Correspondent

MONTREAL — B. C. Pulp and Paper Co. has closed its plants following the provincial government's introduction of a new tax on fuel oil. The tax, amounting to more than half a cent a gallon, has accentuated an already difficult situation,

The B. C. Pulp and Paper unit at Woodfibre was closed down some weeks ago and the latest plant to be shut is the one at Port Alice, Vancouver Island. Not a single unit is now in operation; Lawrence Killam, president of the company, expresses the hope that it may be possible to resume operations in the fall.

The plant closure was staved off as long as possible. But in addition to a general slump in business the company has suffered heavily from fluctuations in the rates of exchange with Japan and other trans-Pacific countries.

Reflected in Earnings

Naturally the shut down will find sharp reflection in earnings for the current year. In 1931 operations resulted in a deficit of $171,588 after payment of charges. A deficit of $142,348 was brought forward into the current year. Owing to the continued decline in the company's earning power, a proposal was put forward in May to bondholders whereby they waived interest payments for two years. The plan was approved.

Powell River Co. and Pacific Mills Ltd., newsprint manufacturers of British Columbia, are also feeling the effects of the new oil tax. They have been able, however, to reduce their oil consumption substantially in recent years through the substitution of "hogged" fuel obtained from sawmills in Burrard Inlet.

ADVERTISING LOSS LESS DURING JUNE

U. S. Returns Indicate an Improvement in Situation

From Our Own Correspondent

MONTREAL. — Newspaper advertising linage of American newspapers in June showed smaller losses than in May in almost every classification, and in some classifications June made a better showing than for two or three months back, according to records compiled by Media Records Inc. and published by Editor and Publisher.

Total advertising linage reported for the newspapers of 52 cities was 100,156,535 lines, a decrease of 19.1 per cent from the 123,927,869 lines reported for June, 1931. This, however, was a smaller loss than the 23.3 per cent in May, the 20.3 per cent in April or the 20.7 per cent in March.

Automotive Reversed

Automotive linage reversed itself, by showing a very small gain in June as compared with June, 1931. Gains were reported last December and January in automotive linage, but February to May, inclusive, showed sizeable losses.

Classified made the second best showing, with a loss of 13.4 per cent as compared with June of last year.

Retail linage in June was 19.7 per cent behind that of June, 1931, and general advertising 25.5 per cent behind.

West Canadian Hydro Defers "A" Dividend

As auditors are still busy on annual report of West Canadian Hydro Electric Co., directors deferred action on the class A common dividend at a recent meeting. The dividend is cumulative to the extent of $1.25 a share annually.

The company has been under heavy expenses in connection with the disbursement of United States funds on its $1,000,000 6 per cent first mortgage bonds, and this made the directors desire the finally audited figures before declaring dividends. As the annual report will be printed about August 10 the directors should soon be in a position to know what action will be taken.

Duff Railway Commission Will Make Report Soon

By Staff Editor

OTTAWA.—An early report of the railway situation in Canada is now expected from the Railway Commission appointed by the Bennett government under the chairmanship of Hon. Justice Duff. Lord Ashfield, who is a member of the commission, is expected in Canada by August 15 and the commission will assemble in Ottawa about that date. Hopes are raised that at least a provisional report will be available for the government within a month after the sittings are resumed.

Although there were earlier rumors of hopeless disagreement, well-informed circles now have it that the commission will be able to bring in a report and that it will be a constructive one, containing concrete suggestions for the betterment of the Canadian railway situation.

If the report is a reasonable compromise of conflicting views it will likely be followed by supporting statements from Chairman Beatty of the Canadian Pacific Railway and acting-Chairman Hungerford of the Canadian National and will come before Parliament for consideration.

It is emphasized by railway men that the railway problem in Canada cannot be solved by any moderate normal improvement in earnings consequent upon the expected large crop and the expected improvement in business this fall and winter. The long-term problem of excess railway capacity and debt calls for action going beyond moderate operating economies or normal increase in earnings and it is in these farther directions that the commission is expected to have notable suggestions to offer.

In the Mail

Would Electrify Railroads

Editor, The Financial Post:

With reference to the article on page one of your issue of July 23, 1932, under the caption of "Water Power Industry Faces Serious Situation," it has occurred to the writers' mind that as necessity is the mother of invention, some way out of the difficulty will develop.

While I am not a railroad man nor an electrical engineer, it appears to me that if those qualified would study the situation, the question of electrifying the railroads of Ontario and Quebec may bring the solution of the difficulties expressed in your article.

J. R. SMITH.

Campbellford,
July 27, 1932.

Wasted Education Dollars

Editor, The Financial Post:

I notice articles in your valuable paper regarding education, but am of the opinion that this matter requires to be dealt with much more firmly than you suggest. I do not want to take up a lot of space writing at length, but I feel very strongly on the subject as follows:

We are trying to make college professors of every child in the country, whether they will or no. These boys and girls in most cases would be better, after a good gorunding in the three "Rs," to quit school at 15, and start into a business or a trade. They are easily assimilated at this age. By the time they pass their matric examinations, which are becoming more difficult each year, many of these so called children are 18 to 22. They are not easily assimilated in business then, they want good jobs and big pay, are rather old to start as office or message boys, and have played so long, they find it hard to get down to work.

The cost of educating these children is beyond the capacity of the taxpayer, and in short I would suggest that the government take immediate steps to change this whole system. Give every child of average intelligence a leaving certificate at 15, and those who want further education should get it by scholarship or by paying for it themselves. The salaries of high school teachers are also beyond any reason. Where else can any young man or woman of 22 get $2,000 a year It is not only ridiculous, it is crazy.

BRASS TAX.

Belleville, Ont.,
July 29, 1932.

Dislikes Abitibi Deal

Editor, The Financial Post:

The Ontario Power Service Corporation bondholders have no reason to congratulate themselves on the offer made by the Ontario government for they are in reality paying $104.68 for a $100 Hydro guaranteed bond bearing an average coupon rate of approximately 4.25 per cent—yield less then 4 per cent.

Quite true the new bonds have the whole credit of the province behind them—yet the original purchasers of the Ontario Power Service Corporation bonds had their 6 per cent return more or less protected in the same manner—inasmuch as the revenue from the "Hydro" contract was more than sufficient to take care of maximum interest requirements.

Had the situation remained "status quo" then the Hydro would have been called when to pay $1,300,000 annually for 100,000 horsepower—or $13 per horsepower, whereas now they will be called upon to pay (allowing 5½ per cent on additional money required to complete the project) approximately $1,000,000 annually for 275,000 horsepower. — or $3.64 per horsepower.

It seems to be the general opinion that private money was not available to complete the Abitibi canyon project. However, such is not the case, and had private interests been permitted to finish the development, then the Ontario Power Service Corporation bondholders would have had their 6 per cent return and the Hydro would be purchasing power at $13 per horsepower instead of $3.64 per horsepower.

L. M. COLLINS.

Toronto,
July 29, 1932.

Montreal Lifts Peg on Ottawa Power Stock

From Our Own Correspondent

MONTREAL. — Official notice has been given by the Montreal Stock Exchange of the removal of the minimum price restrictions on the stock of Ottawa Light, Heat and Power Co.

The only stocks remaining on the Board with restricted trading rights in force are the common and preferred stocks of Price Bros. and Co.

Railway Earnings

CANADIAN PACIFIC RAILWAY

June:	1932	1931	Decrease
	$	$	$
Gross earn.	10,496,801	12,722,335	2,225,533
Expenses ..	8,918,185	10,802,511	1,884,326
Net earn...	1,578,616	1,919,823	341,207
From Jan. 1:			
Gross earn.	58,045,299	72,310,336	14,265,037
Net earn...	5,251,879	6,806,359	1,554,479

CANADIAN NATIONAL RAILWAYS

June:	1932	1931	Decrease
	$	$	$
Gross rev..	12,437,076	15,236,230	2,799,154
Oper. exp..	11,209,220	15,341,235	4,132,015
Net rev....	1,227,856	*105,005	†1,332,861
Six Mos. End. June 30:			
Gross rev..	70,187,818	88,275,626	18,087,808
Oper. Exp.	67,779,143	86,946,589	19,167,446
Net rev....	2,408,675	1,329,037	†1,079,638

*Deficit.
†Increase.

Public Utility Earnings

Barcelona Traction

June:	1932	1931	Increase
	Pesetas	Pesetas	Pesetas
Gross earn..	8,439,340	8,109,332	330,008
Oper. exp...	2,834,906	2,825,672	9,234
Net earn...	5,604,434	5,283,660	320,774
Aggre. gross from Jan. 1.	56,262,766	54,738,320	1,524,446
Aggre. net from Jan. 1.	37,907,436	35,985,668	1,921,768

Quebec Fish Catch Worth Only $1,637,000

Total catch of fish for Quebec in 1931 amounted to 850,766 cwt., with a value to the fishermen of $1,636,576, compared with a catch of 772,266 cwt. and a value to the fishermen of $2,199,274 in 1930, according to a report issued by the Dominion Bureau of Statistics.

The quantity of cod caught increased from 392,642 cwt. in 1930 to 421,060 cwt. in 1931, but the marketed value dropped from $1,073,836 to $730,410; herring increased in catch to 258,545 cwt. but decreased in value from $249,708 to $234,923: eels increased in catch from 13,154 cwt. to 17,322, and dropped in value from $118,583 to $706,424. In order of value of product in 1931, cod is first, herring second and lobster third. To the total value of product in 1931, the sea fisheries contributed $1,469,677 and the inland fisheries, $483,217.

Vancouver Western Drug Pays Half Usual Dividend

Vancouver Western Drug Co. paid 81 cents per share on July 1, just one-half of the usual $1.62 dividend paid quarterly on the 6½ per cent preferred stock.

The company reports a very successful year under present business conditions but has decided to consolidate its working capital position in view of the necessity of carrying a substantial inventory in the manufacturing department. To that end the dividend was reduced.

Canadian Airways Traffic on the Upgrade

From Our Own Correspondent

MONTREAL. — Imperial Economic Conference at Ottawa has proved to be a small gold mine for Canadian Airways. There has also been an improvement in other directions and the company states that passenger traffic has shown a substantial gain. It is stated that on the eastern division, operating between the Soo and the Atlantic, more passengers have been carried this year to date than in all of last year. The new service established recently between Montreal and Ottawa has proved particularly popular. A morning and evening service is operated between the two points.

Canada Increases Sales of Tobacco to U. K.

Canada's supply of unmanufactured tobacco to Great Britain in the first six months of 1932 was more than twice that of the same period of 1931, or 8,094,708 pounds as compared with 3,994,023 last year and 2,958,631 in the first half of 1930.

The United States dominates this market, the amount imported by Great Britain from that country in 1932 to the end of June being 50,004,486 lb. This, however, is a large decrease from 66,918,442 pounds in 1931 and 68,610,631 pounds in 1930.

McLennan, McFeely Dividend

McLennan, McFeely & Prior paid $1.62½ a share on their outstanding stock on July 1, being at the rate of 6½ per cent annually.

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News of Investment Markets

TORONTO REPORT SHOWS GROSS DEBT NOW $188,039,040

Net General Debt of $67,251,485 Well Within Statutory Limit

REVENUE $41,899,575

Exchange Raised Debt Costs $1,000,000; Caused City's First Deficit Since Pre-War Days

Annual report of the city of Toronto, just issued by Geo. Wilson, commissioner of finance, shows gross funded debt at $188,039,040, divided into sinking fund bonds of $51,138,720 and instalment bonds of $136,900,320. Deducting specially-rated and revenue-producing debts of $95,385,165, sinking fund of $22,966,987 and funds of $2,435,403 on hand for instalment debt redemption, the net general debt is $67,251,485. The assessed value of rateable property at the end of 1931 was $1,061,652,753 for school purposes and $989,292,666 for general purposes. There were exemptions, not included in these figures, of $150,392,777.

Net revenue from general taxation for 1932, as per estimates, is $34,042,394 and for other revenue $6,089,859. The population is shown at 627,231, the area of land and water within the city limits at 25,965 acres and the tax rate at 33.90 mills. Capital assets at the end of 1931 were shown at $197,042,074.

First Deficit Since 1914

Expenditure in 1931 of $41,899,575 was divided as follows: common welfare services, $36,494,119, special services $5,150,768 and $254,688 reserve for deferred expenditure carried forward into 1932. There had been a reserve of $251,754 brought forward from 1930 and a surplus of $362,289 as well, but 1931 closed with a deficit of $891,286 after getting $33,577,771 from taxation, $4,449,415 from special services and $2,367,060 from miscellaneous services rendered. It was the first operating deficit since 1914, and is due mainly to the unanticipated cost of United States exchange, about $1,000,000, to provide for city debt charges payable in New York and because $490,000 more than the $400,000 at first provided was needed to take care of unemployment.

Borrowing Margin is $14,012,901

The city's legal debt limitation at the end of 1931 amounted to $83,643,413 and the outstanding debt to $69,630,512, the statutory borrowing margin therefore being $14,012,901.

About 84 per cent of city's revenue is provided by the annual tax levy and the remainder from water rates, license fees, etc. Slackened building activities and stagnant business in times of depression result in stationary or lower assessments, increased vacancy allowances and decreased earning power with resultant subnormal revenues. In 1931, for instance, value of buildings erected was only $19,009,985 as compared with $51,607,188 in 1928. Total assessment in 1932 for the same reason only increased by 1.3 per cent as compared with 4.9 per cent in 1929. While realty and business assessments have increased year by year, income assessment dropped yearly since 1930.

The Arrears Come Down

Total tax arrears at the end of 1931 amounted to $8,026,373 as against $6,444,335 in 1930, an increase from $10.35 to $12.79 per capita. By June 30, 1932, however, tax arrears had been reduced to $4,553,000 or $7.23 per capita. The commissioner thinks there is no cause for apprehension in this although great vigilance is required.

In spite of the stress of bad times, the Commissioner states that Toronto's credit remains unimpaired, that all obligations are honored promptly as they mature, and that it is still true that Toronto "never renews or refunds any of its obligations." Net debt charges in 1931 required $9,081,983 out of total revenue of $41,899,575, general expenses being $32,518,617. Education and library costs were $9,833,012, Toronto Harbor commission charges more than $1,250,000, Department of Public Welfare $3,159,405, Police Department and Court $2,565,284, Fire Department $2,643,211, Department of Public Health $1,056,097, Street Cleaning Department $2,170,162, Works Department $3,049,613 (including $1,416,389 for waterworks operation and maintenance), Parks Department $1,565,167 and Property Department $1,306,744.

Contingent Liabilities Large

The city has current liabilities of $17,517,624 and current assets of $12,939,893. Total assets are shown at $209,981,967 and deficit at $891,286. There are contingent liabilities not shown in figures given of $23,958,000 covering $23,248,000 in bonds of Toronto Harbor Commissioners, $690,000 for Toronto Housing Co. and $20,000 for Alexandra Industrial School, all of which are guaranteed by the city. City bonds to the extent of $4,240,196 are deposited with the Ontario Hydro-Electric Power Commission in connection with a proposed electric railway not now contemplated.

Detailed information in the 78 pages taken by this printed report is given of revenues and expenditures of every department. Every addition to the pulic debt is shown separately with the special purpose for which intended, and revenue-producing and non-revenue producing debts are carefully segregated.

Pacific Coast Govt. Debts Dubbed Abnormally High

British Columbia and Vancouver Together Owe $450 for Every Citizen — City's Debt Five Times Seattle's — Province Rivals California

C. A. Crompton Brown, secretary manager of Associated Property Owners of Vancouver, has created considerable interest in British Columbia by arresting figures comparing the debts of that province and of its chief city, Vancouver, with those of states and cities to the south. The tabulated comparison is as follows:

	Population	Public Debt	Debt per Capita
California ..	5,677,000	$135,492,000	$23.86
Oregon	954,000	62,170,000	65.17
Washington .	1,563,000	15,507,000	9.92
Br. Columbia	693,000	130,000,000	187.57
Cities			
Oakland	284,000	12,177,000	42.84
Portland	302,000	36,343,000	120.33
Seattle	366,000	12,738,000	34.80
Vancouver ..	246,000	64,000,000	260.16

Owe Four Times Budget

"Whereas Seattle's total debt is less than a single year's revenues, here in Vancouver we owe $64,000,000, which," comments Mr. Brown, "is almost exactly four times the amount of this city's 1932 budget. The extreme gravity of our civic and provincial financial situation is made apparent by these comparative figures, which exhibit a total municipal and provincial bonded indebtedness of nearly $450 for every man, woman and child in the city of Vancouver."

Referring to the Kidd Commission of enquiry into provincial finances, Mr. Brown continued:

"It would not surprise me at all if urgent representations were made in the near future, and by the same public bodies, for the appointment of a similar commission of enquiry into Vancouver's municipal finances and administration. The burden of taxation, particularly upon owners of real property, is drawing the life-blood from business, and is driving capital for investment out of the city and the province. No amount of financial juggling can extract a $2 tax out of a $1 income."

BELIEF QUICKENS IN TURNING POINT TO BETTER TIMES

Confidence Renews Buying Canadian Issues at Home and Abroad

In an analysis of the causes of recent broadened demand in the bond market Dominion Securities Corp. finds that the increased buying in Canada has been coming from all sources, British, United States and domestic. The rising price level therefore has its basis in a restoration of public confidence "and the belief that a turning point has been reached which will mark the trend toward better times."

This renewed confidence has been released by recent constructive news: the success to date of the British Government plan to convert £2,000,000,000 of 5 per cent war loan bonds into new long-term bonds bearing a 3 per cent rate; the large measure achievement at Lausanne at the Conference on Reparations: and the effect expected from the Imperial Economic Conference at Ottawa in increasing trade within the British Empire and in providing a stimulus to trade throughout the world. As prices in Canada of Dominion Government and provincial bonds are largely determined by the attitude of the London and New York markets, Dominion Securities gives the following description in part of changing relations of these markets as shown by present position and past history of the Canadian bond market:

Britons Want Sterling Issues

Before the war the bulk of our Canadian government and municipal financing was done in the London market. Immediately following the outbreak of the War developments in security markets made it possible for Canadian investors to purchase these sterling issues on attractive terms and for some time there was a flow of such securities back to Canada.

The recent demand in London for high-grade domestic issues (due to restored confidence) broadened to include sterling obligations of the overseas dominions. As a result the provinces of British Columbia and Alberta successfully offered new long-term 5 per cent issues. The market on these issues has since shown decided appreciation.

Simultaneously there developed a demand by London investors for Canadian sterling issues held in Canada which released funds for investment here as evidenced by the demand for Canadian government and municipal obligations payable in Canada only or in Canada and New York, examples being the recent loans of the provinces of Ontario, Manitoba and New Brunswick, all of which have been sold and are now quoted over the issue prices.

Slumped in 1931

Turning to the American market, this market became an important factor with respect to Canadian issues from about 1915 on as is clearly evidence by the following table of new issues sold:

(Millions omitted)

Period	Canada	Sold in U. S.	Gt. Brit.
1904-1914 incl. ..	$ 387	$ 200	$1,597
1915-1930 incl. ..	5,461	3,252	376
Year 1931	1,074*	170	7
	$6,923	$3,622	$1,982

* This is largely due to the Conversion Loan operation of the Dominion in May, 1931.

Since September, 1931, however, the American market was closed owing to the discount on Canadian funds and the general lack of confidence. With confidence returning, New York is now following London's lead and is purchasing Canadian securities, thereby automatically creating a scarcity of offerings of Canadian bonds payable in New York, particularly those of the Dominion and Dominion guaranteed issues.

Bond Sales

Dominion Securities Corporation has been awarded $320,159, 6 per cent, 15 installment debentures of the United Counties of Northumberland and Durham, at 100.197. The bids were:

Dominion Securities	100.179
Bank of Toronto	100.175
J. S. Forgie & Co.	99.93
A. E. Ames & Co.	99.29
Bell, Gouinlock & Co.	99.29
H. R. Bain & Co.	99.29
Wood, Gundy & Co.	99.27
Harris, MacKeen & Co.	99.27
McLeod, Young, Weir & Co.	98.11

J. L. Graham & Co., and C. H. Burgess & Co., bid 99.01 for $120,000, option on rest at same price, bid 98.57 for whole block. Gairdner & Co., option 98.00.

Bond Tenders

August 15, Megantic, P.Q.—$30,000 serial bonds dated July 1, 1932, redeemable from July 1, 1933 to July 1, 1940, at 6 per cent interest. Object of loan: enlargement of hydro electric plant. D. L. Lippe, clerk.

August 15, Megantic, P.Q.—$26,000, maturing on December 1 of the following years: $300 in 1939; $300 in 1940; $400 in 1941 and $25,000 in 1943. Bonds are issued under virtue of by-law number 84. D. L. Lippe, clerk.

CAN. PAPERBOARD MEET POSTPONED TO AUGUST 22

Operating Assets Adequate—Three Plants Run—Industry in Doldrums

At the Canadian Paperboard Co. adjourned bondholders' meeting on August 22 consideration will be given to proposals for amendments to the trust deed by which bondholders will have power to appoint from time to time a committee to act with authority on behalf of all to be desired by the trustee, G. T. Clarkson, as it will allow bondholders and himself to act with greater freedom in policies affecting the company's future.

The company manufactures paperboard and container board, board for special products such as egg-case fillers, plaster board and produces all varieties of chip-board, news-board, vat-lined board, strawboard wood pulp board, container board, white patent-coated board and other specialties. It has a plant at Montreal with a capacity of 45 tons of paperboard daily, one at Frankford, Ont., with a capacity of 45 tons paperboard and 20 tons groundwood daily, one at Campbellford with 30 tons daily capacity and a million-dollar plant in Toronto with 100 tons daily capacity.

Three Plants Running

Though under a receivership since March, 1930, the company's board mills at both Toronto and Montreal are still operating, and the pulp mill at Frankford has been operating since August, 1931. The company's inability to pay interest due on $1,260,000 7 per cent first mortgage bonds was responsible for the trustee taking charge in 1930. At that time there was a working capital deficit and had been for more than a year. If business had not been at a low level, the stopping of dividends and interest would reasonably have been expected to improve this position and permit the company to become solvent again.

Liquid Position Adequate

From the operating viewpoint and ignoring the demands for bond interest, The Financial Post is informed that the company's liquid position is now good. Earnings have not continued at a point where interest payments can be resumed even though wage reductions and other economies have been effected, and the situation apparently is that bondholders stand the best chance by taking whatever measures will keep the company in good operating position until demand once more permits profitable operation.

Both in the United States and Canada output and sales of paperboard took a down-turn about May. It is one of the most important industries on the continent; in the United States the boxboard output has recently been greater than production of newsprint and in Canada consumption of boxboard is almost on a level with newsprint consumption. As the larger part of Canadian newsprint production is for consumption in the United States, the newsprint output figures are far higher than boxboard production of all kinds. The comparison cannot be pressed too far as newsprint is one product whereas boxboard in various forms goes into 50 or more industries. In fact, it enters into the purchasing plans of every merchant and producer who has goods that need containers. This is therefore a situation favorable to the long view of the company's situation if the company is kept in a position where it can compete with the various other companies continually assessing the possibilities of increasing their output.

Higher Taxes in Calgary Bring Less Than in 1931

Report by the city treasurer of Calgary shows tax collections about $210,000 less than was estimated for the first six months of 1932. There was an increase in the mill rate to provide this additional revenue but the result has been a revenue of $4,000 less than the same period of 1931.

The amount actually collected was $3,235,293 and in the same period of 1931 $3,239,601.

General tax collections amounted to $2,373,064, business tax collections to $245,056, special taxes to $284,070 and collections of provincial taxes to $43,217. An amount of $274,922 was collected on arrears of city taxes.

PUBLIC OFFERED COMMON SHARES CORP. INVESTORS

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All Profits Go to Reserves—No Promotion Stock Included — Aim at Highly Liquid Portfolio

Corporate Investors, Ltd., a new British type general investment company with headquarters, control and management in Canada, is making an offering to the general public through City & Dominion Company of a portion of its authorized common stock of 1,000,000 no par value shares. There are no bonds, debentures or preferred shares, no founders or management shares or other class of security having voting control. No shares have been or will be issued, The Financial Post is informed, except for cash, and no shares have been or are proposed to be sold for less than the present offering price of $5.50 a share. Public distribution is now taking place through recognized investment banking houses and brokers. Head office is at Toronto where City & Dominion Co. are also located.

Founders Pay More

The initial 10,000 shares of the capital stock offered for sale by the company were set aside for purchase by the founders of the company for a total price of $56,000, or at the rate of $5.60 per share, which includes a premium of 10c. per share over the present offering price. The founders include executives of many of Canada's leading industries and institutions and number about 40 individuals.

The directors of the company were chosen from this first group of shareholders and are as follows:

W. D. Glendinning, Toronto partner of Riddell, Stead, Graham & Hutchison, chartered accountants, of Montreal, Toronto, London, Edinburgh and New York; A. E. Gooderham, Jr., Toronto, vice-president, Dominion of Canada General Insurance Company; Hugh J. McLaughlin, Toronto, of legal firm of McLaughlin, Johnston, Moorhead and Macaulay; T. H. Hogg, B.A.Sc., C.E., D.Eng., Toronto, consulting engineer and chief hydraulic engineer, Ontario Hydro-Electric System; Major W. D. Wilson, D.S.O., Hamilton; W. F. Stewart, Toronto, director and secretary, Dominion Stores, Ltd.; Louis O. Breithaupt, Kitchener, vice-president and general manager, the Breithaupt Leather Company Limited, president and general manager, the Hastings Tanning Co., Ltd., Rolph R. Corson, Toronto, president Rolph R. Corson, Ltd., director Chartered Trust and Executor Co., the Boiler Inspection and Insurance Co. of Canada, etc.; Mackenzie Williams, director of investment research, Corporate Investors, Ltd. and formerly of A. E. Ames & Co., Ltd.

Has Representative Board

The officers are: president, W. D. Glendinning; vice-president, A. E. Gooderham, Jr.; secretary, Hugh J. McLaughlin; treasurer, M. E. McKenzie, director Province of Ontario Savings Office.

Provision has been made for increasing the board to include representatives from eastern and western Canada.

This company is incorporated under the Dominion Companies Act and proposes to invest proceeds from sale of shares in securities of the leading industrial, financial and utility corporations, as well as government and municipal obligations of Canada, Great Britain and other parts of the Empire and, to a limited extent, of the United States and of selected countries in other parts of the world.

As a result of practical experience of more than 60 years. British companies have made excellent records during the difficult period since 1929 as compared with U. S. companies' losses.

Guiding Principles Named

The principles set forth by the founders in the organization of Corporate Investors Ltd., as their guiding stars are as follows:

1. The company must be independent of any investment banking house.
2. The management must be under the direct control of the board of directors, rather than in the hands of any "management" company.
3. The capital structure must be simple, with only one class of common stock, and all stock must have equal voting rights, to avoid the possibility of control with nominal investment.
4. The securities must be in the custody of a recognized trust company.
5. The company must not be one of a chain involving control.
6. Complete publicity as to operations and portfolio is essential.
7. The by-laws of the company must ensure wide diversification, without dominating or "operating" interest in any company or group.
8. Cost of management and directors' fees must be moderate.
9. There must be no promotion profit or bonus stock.

The company does not intend to invest its funds in any new or unproven enterprise.

No Marginal Buying

As investments are confined by the by-laws mainly to securities which are dividend-paying or interest-bearing, the company will have an income from its earliest stages.

By providing that 80 per cent of the securities owned must be listed on recognized stock exchanges, or must consist of government, municipal or corporation bonds legal for investment by life insurance companies in Canada, the holdings will be liquid in character.

The company's policy is against buying on margin or selling securities short. An essential feature of the company's policy is to place investment for income first and to pay dividends to shareholders only out of dividends and interest received on invested funds, all capital profits being applied to the building of reserves. If and as these reserves further build up the assets and earning power, increased returns become available to shareholders.

Build Station at Port Alberni

The British Columbia Electric Railways Company are constructing a $20,000 power house at Port Alberni on the west coast of Vancouver Island. The cost of the entire project is estimated at approximately $70,000.

Cod Catch Good Markets Are Dull

Newfoundland is currently pinning her hopes for economic recovery on a good cod run which can be marketed at satisfactory prices. Latest advices from St. John's give excellent reports of the shore catch with little doubt that if the fish continue to run as at present the catch will exceed earlier expectations.

Current reports from foreign fish markets are not so optimistic, however. Europe appears to be well supplied with Norwegian fish, while Brazil, prohibited from establishing foreign credits for the payment of fish, is not proving as satisfactory an outlet as had been hoped.

Reports as to the prospects for sale of cod liver oil are conflicting but demand is small and manufacturers are said to be showing concern as to the future.

PRICE BROS. & CO. DEFERS INTEREST MORTGAGE BONDS

Action Follows Beaverbrook's Withdrawal from Scheme

From Our Own Correspondent

MONTREAL. — Withdrawal of Lord Beaverbrook from the picture and the passing of interest on the first mortgage bonds, are the latest developments in connection with the rehabilitation plan for Price Bros. and Co.

At the annual meeting, Lord Beaverbrook set forth various conditions which he said had to be carried out by creditors and security holders in order to re-establish the company. It was necessary for the bondholders to give up certain rights, while the creditors were asked to accept income debentures.

Concessions to Make

Two of the principal problems confronting the company were the continuance of payments under contract entered into with Duke-Price Power Co., which called for payments of about $1,200,000 annually for electrical energy and, secondly, guaranteeing of bonds issued by Price Realty Co. oBth Duke-Price and Price Realty were asked to accept income debentures in lieu of cash payments. It would appear that these proposals did not meet with endorsement.

At the end of last year Price Bros. had outstanding $11,061,600 of 6 per cent first mortgage bonds. Originally $15,000,000 of these bonds were issued in 1923, but the amount has since been reduced to a little over $11,000,000 through the operation of the sinking fund.

As the situation now stands, the bondholders will not be able to take action to enforce their rights until the expiration of 90 days grace, during which time the company has the opportunity of making good its default on these bonds.

CANADA WIRE PASSES DIVIDEND ON "A" STOCK

Inventory Loss Reported to be Reason for Action

From Our Own Correspondent

MONTREAL.—Directors of Canada Wire and Cable Co. have deferred dividend action on both the Class A and Class B stocks, of which there are outstanding 29,669 and 150,662 shares, respectively. An initial dividend of 50 cents was paid on the Class A shares on June 15, 1929. During that year $2.50 in all was paid. In 1930, 1931 and up to date, the A stock was on a $4 per annum basis. Dividends on the B stock were instituted in 1930, when 43¾ cents a share were paid. Payments in the following year aggregated $1.56½. Payment due on March 15 last was passed.

No statement has been issued by the directors as to the reason for passing the A dividends. In the annual report for 1931, the president stated that unfilled orders at December 31, 1931, were much greater than the same date in 1930. It was also stated that raw materials to cover unfilled orders had been purchased. Unofficial reports have it that the company has had to absorb substantial losses on its inventories and raw materials owing to the decline in metal prices.

ABITIBI DIRECTORS LET BOND INTEREST GO INTO DEFAULT

But Reduce Bank Interest to $300,000—Awaiting Better Business

OUTPUT VERY LOW

Company Places Stable Operating Position First—Protective Committee Calls for Bond Deposit

As 60 days grace had elapsed since the failure of Abitibi Power & Paper Co., to pay interest on June 1, bonds of the company went into default automatically on August 1. Directors, who announced that interest would not be paid, still attributed the non-payment of interest to the Ontario Power Service's lack of funds to finish the Abitibi canyon project by October 1 next and on the contingent guarantee of Abitibi that construction should be finished on that date. Until the official offer of the Ontario Government to buy those bonds has been sent out in final form to bondholders and until 90 per cent of the latter have deposited their bonds, directors cannot pay interest on their bonds as the contingency referred to is still hanging over them.

Earnings Fall Off

In their statement of policy directors also add to the Ontario Power Service contingent guarantee as a reason for non-payment of interest their view that postponement should be 'pending a clearer view of the immediate future of business in general and the newsprint industry in particular." The statement added:

"Production and deliveries of newsprint for the seven months ending July 31 were the lowest in the company's history. In spite of the consequent adverse earnings, the company during the same period reduced its current bank loans from $3,400,000 as of Dec. 31, 1931, to the nominal amount of $300,000 as of July 31, 1932.

"The directors fully realize the importance of resuming bond interest payments at the earliest possible moment, commensurate with permanence and financial stability, and all efforts of the management are being directed toward this end."

Has Valuable Properties

The practical disappearance of bank loans in this period is of immense significance in this connection. The company cannot be considered free of the banks, however, as it will no doubt require accommodation when it resumes woods operations in the coming Fall, and it will need help whenever interest payments are resumed unless the company waits until it has accumulated cash sufficient for the purpose in the actual conduct of its business. A revival in newsprint demand would also lead to further financing of operations. At present the policy of most of the companies seems to be to bring down the visible supply of newsprint to as low a point as possible. In any case the elimination of banking and other liabilities is currently in the interest of bondholders.

The properties of Abitibi Power & Paper Co. have a daily capacity of 2,200 tons of newsprint paper whose replacement value is said to be $66,000,000, 200 tons bleached sulphite pulp that would take $5,000,000 to replace, 150,000 horse power developed valued at $20,000,000 in addition to large areas of pulpwood leases. These values are far in excess of the $48,267,000 5 per cent first mortgage bonds due 1953, but at close to 30 per cent capacity it is difficult to earn interest.

The National City Co. of New York has written the following letter to holders of the bonds:

Bondholders Unite

"It is desired to refer to the letter dated June 16, 1932, addressed to the holders of Abitibi Power & Paper Co. Limited, 1st Mortgage Gold Bonds Series A, 5 per cent, due 1953, by the Bondholders' Protective Committee formed under the chairmanship of Joseph P. Ripley, vice-president, The National City Company. In the letter to which reference is made, the committee reported an announcement by the Abitibi Power & Paper Co. Limited, to the effect that: 'For the present and until pending arrangements regarding one of the company's subsidiaries have been completed, the directors do not think it advisable to pay the bond interest due June 1.' In view of this development, the committee expressed the belief that holders of the bonds should unite for the protection of their interests.

"It has now been announced that the directors of the Abitibi Company at a meeting held on Wednesday, July 27, failed to take action with respect to the payment of the interest on the company's first mortgage bonds. It appears that no formal statement was issued by the directors, but as the sixty day period of grace allowed under the terms of the mortgage has now elapsed, the bonds are definitely in default and the security has become enforceable. In the circumstances, we believe that bondholders who have not already done so should, for the protection of their own interests, co-operate now with the protective committee by depositing their bonds under the terms of the deposit agreement dated June 10, 1932, of which you have already been advised.

In Strong Position

"The membership of the protective committee is truly representative of the 1st mortgage bondholders of the Abitibi Company. In addition to representatives of the National City Co, and of other members of the underwriting syndicate, the committee includes representatives of the largest holders of the bonds. Chief among these are representatives of Canadian insurance companies and of other substantial business interests. The members of the committee are interested in the situation solely with a view to the protection of the rights of holders of the senior securities.

"No expense attaches to the deposit of bonds as requested by the protective committee; the deposit agreement specifically provides that holders may withdraw their deposited bonds without cost or expense to them at any time within a period of thirty days, commencing on the date of announcement by the committee of adoption of any plan of reorganization or readjustment.

"The Abitibi Company occupies a strong position in its field as a newsprint producer. The mortgaged properties of the company are valuable and the position of the bonds is, we believe, a strong one, provided holders of these securities act promptly and in concert We accordingly urge that holders of the bonds co-operate with the protective committee by sending in their securities for deposit with one or another of the depositaries or sub-depositaries named by the committee. The depositaries for the committee are: City Bank Farmers Trust Company, 22 William Street, New York; and Montreal Trust Company, 511 Place d'Armes, Montreal, Canada, and 61 Yonge Street, Toronto, Canada. The sub-depositaries are: Continental Illinois Bank and Trust Company, 231 South La Salle Street, Chicago, Ill.; Bank of America N.T. & S. A., 1 Powell Street, San Francisco, Cal.; The National City Bank of New York, 36 Bishopsgate, London, E.C. 2, England; and Montreal Trust Company, 2 Princess Street, London, EC. 2, Eng.

"In order that we may assist the committee in its work we would greatly appreciate your advising us whether the bonds shown to be held by you have already been deposited or sold or whether they will be forwarded to one of the said depositaries or sub-depositaries."

EDMONTON AIDED BY DOMINION GOVT.

Accommodation Extended Until Market for Municipals Recovers

The Dominion Government is lending Edmonton $462,500 through the Alberta Provincial Government because of difficulties in financing. City Commissioner David Mitchell's long report on his recent negotiations with respect to Edmonton's city business also indicated that a further loan of $250,000 from the Imperial Bank brought its total accommodation to $1,250,000.

The Imperial Bank has agreed to accept city treasury bills, dated July 1, 1932, and repayable July 1, 1934, and bearing interest of six per cent payable half yearly. These treasury bills will be secured by hypothecation of debentures for approximately $1,500,000. City treasury bills will also secure the loan from the government.

The city, after all necessary by-laws are brought down relative to capital expenditures in suspense, will have approximately $2,000,000 of debentures available for sale.

Arrangements have been made with Eastern bond houses to inform the city officials as soon as conditions are favorable in the London market for a sale of Edmonton debentures on suitable terms.

Flour Exports Show Increase

For the first time for some months exports of Canadian flour showed an increase in June compared with the same month last year. Total exports for the month were 570,861 barrels against 490,294 barrels in June, 1931. Values at $1,962,785 showed an increase of $200,000.

INVESTMENT SECURITIES

The National City Company
Limited

360 St. James St. MONTREAL
320 Bay Street TORONTO

Advisory Board
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Sir John Aird
W. A. Black
A. J. Brown, K.C.
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F. E. Meredith, K.C.
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Weekly Record of Financing in Canada

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Municipal—	Date Sold	—Sold To—	Rate	Maturity	Amount	Price	Basis
United Counties of Northumberland and Durham	July 27	Dominion Securities Corp.	6%	15-ins.	$320,160	100.170	...
Penetanguishene, Ont.	July	J. L. Graham & Co.	6%	10-yr.	5,000	97.756	...
			6%	20-yr.	20,000		

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Member Audit Bureau of Circulations
President—JOHN BAYNE MACLEAN
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TORONTO, AUGUST 6, 1932

FATE OF THE E. M. B. TO BE DECIDED

THE fate of the Empire Marketing Board hangs in the balance at Ottawa. This comparatively new agency of Imperial trade promotion, which was the gift of the British taxpayer to the Dominions, has lost its original raison d'être and one of the tasks before the Imperial Economic Conference is to find a basis upon which its work can be continued.

The Empire Marketing Board came into existence in 1926. It was fathered by Rt. Hon. L. S. Amery, when Secretary of State for Dominion affairs. The Conservatives had promised a large measure of preference to the Dominions but going to the country on the preference issue they were defeated, owing to the opposition to food taxes. When they finally came back to power an attempt was made to appraise the approximate cash value to the Dominions of the preferences that had been contemplated; the sum was fixed at about one million pounds a year and the amount was voted to finance a campaign of development of United Kingdom markets for Empire goods. In no year has the full appropriation been spent but very excellent work has been done in many fields.

Publicity work has embraced a widespread campaign among the British people urging them to "Buy British, from the Empire at Home and Overseas." Research work into Empire products has been carried on, chiefly by making grants to various Dominion organizations when matched by similar grants from the Dominions. Under these grants agricultural studies have been made in Quebec and Ontario and fish studies in Newfoundland as well as other investigations all over the Empire. Directly and through an associated body, the Imperial Economic Committee, investigations have been made of Empire sources and supply and markets for a wide range of products. An excellent literature on many phases of Empire economics has resulted from the board's work.

All this work has been conducted at the expense of the British taxpayer except for the Dominion's contributions to specific research activities. When the need for economy became apparent in the Old Country the board's appropriations were cut down and savings were effected chiefly in the field of research activities where grants were curtailed.

Now the British government is reviewing the whole question of the continuance of the Empire Marketing Board. The situation has changed since the board was established as a gift to the Dominions in lieu of preferences. The new Import Duties Act and the Horticultural Products Act have given the Dominions rather substantial preferences in the British market. Britain is, in some measure, responding to the long-standing Dominions preferences and feels that it is no longer obligated to continue the E. M. B. at great cost unless it is organized as an Imperial body financed by contributions from all British countries.

Numerous suggestions as to the organization that should now be set up for the E. M. B. have been made but the question has yet to be thoroughly threshed out at Ottawa. The British delegates have before them the definite recommendation of a select committee of the British House of Commons on economy urging that the Empire Marketing Board be continued only with the assumption of a share of the expense by the Dominions.

Such a centralizing body for Imperial publicity, designed to father a consumers' preferences for Empire goods, to investigate Empire sources of origin and markets, and to collate the results of research activities would be exceedingly valuable and it would be in the interests of Canada to make some reasonable contribution to its maintenance. But Canada cannot afford any substantial contribution at the present time.

If the various Dominion branches of the Marketing Board were made to consist of an extension of some suitable existing branch of government activity there would not necessarily be any large increase in the government budget except for the definite purposes of advertising, which is done in some measure now by the Department of Trade and Commerce in Canada. In research the board could be utilized as a medium for giving more direct practical direction to some of the activities of our well-established National Research Council.

WHEAT POOL DISCARDS ITS BASIC NOTIONS

THE Canadian wheat pools did not make public the brief they presented to Prime Minister Bennett on the subject of wheat, the wheat quota and tariff preferences in the British market. But it is an open secret that the pools took a stand similar to that taken by the majority of the Canadian grain trade, in favor of a free and open market and in opposition to preferences and quotas in the British market. There may be more than one opinion as to the fundamental soundness of this viewpoint but it is at least in agreement with able wheat authorities who have studied the matter in considerable detail.

But from the standpoint of the Canadian wheat pools the point of view attributed to the remnants of those once powerful bodies is very remarkable and it may be regarded as the conclusive evidence that the Canadian wheat pools, that rode the crest of a great wave of public worship between 1925 and 1929, that attempted to dominate the wheat trade of the world, and that turned themselves into a vast political machine among the farmers, have passed out of existence for good. If the wheat pools continue in any form they will be different organizations from those which functioned in the past and their objectives will fall far short of the market control that was previously aimed at.

The great text of the wheat pool campaign of 1925-1929 was that such a large band of united wheat growers could provide a measure of control of wheat markets and could influence the world market price for wheat. It is possible to quote many extracts from speeches of wheat pool leaders who assured the farmer that the Canadian wheat growers with other growers, could by combination obtain higher prices for their wheat. The most brutal attacks were made upon those who argued that the best interests of Canadian wheat growers would be served by the maintenance of free and unfettered market conditions; the law of supply and demand as a factor in fixing prices was held up to scorn; the grain exchanges and the private grain trade, who lacked an ambition to fix the world price of wheat, were ridiculed and attacked. The wheat pools were a gigantic attempt to end, once and for all, the free world wheat market that had made this commodity one of the most fluid in international commerce.

And now the pools argue that the Canadian farmer will lose rather than gain from holding a preferred position even in a market as large as that afforded by Great Britain. Logically, the pools must now admit that the Canadian grain grower should be content with the world market and that this cannot be artificially controlled.

SELLING OUR TOBACCO

IN THE 1931-1932 annual report of the Empire Marketing Board, which has just become available, there is published a list of 17 items of import from the Dominions into the United Kingdom in which new high records were set up in 1931. Only one of these represents an item from Canada; tobacco, of which 6,278,000 pounds were imported in 1931 as against the previous high record of 6,029,000 pounds in 1928.

Canadian representatives at the Imperial Economic Conference have kept the subject of tobacco before them at Ottawa but the question has been most forcefully put by Prime Minister H. W. Moffatt, of Southern Rhodesia, which country also sold over 6,000,000 pounds of leaf tobacco in the United Kingdom last year. Mr. Moffatt in his recently issued public statement showed that the British preference granted on Empire tobaccos had led to an increase in United Kingdom consumption of tobacco from the Empire countries of from 17,880,000 pounds in 1926 to 25,652,000 pounds in 1930. In this increase Canada has shared notably. But the British preference has done no more than give to the Dominions slightly less than one-half of the net increase in the British market during that period; the United Kingdom still buys five times as much tobacco from outside the Empire as it buys from within the Empire and the increase in British consumption of non-Empire tobaccos has been greater, in total pounds although not in percentages, than the increase in British consumption of Empire tobacco.

An increased preference in Britain is sought. But behind any such preference there must be a definite consumer demand for Canadian tobacco—as well as for other Empire tobaccos—based upon personal preference for the product. This is demonstrated by experience in Canada. Although the duty on American tobaccos imported into Canada for manufacture into cigarettes seems to be almost prohibitive when compared to the price at which home-grown tobacco is available, the Canadian cigarette manufacturers continue to import large quantities of tobacco from Georgia and the Carolinas. Most important of the reasons for this situation is that the reputation of different Canadian brands has been based upon an acutely sensitive smoker's taste and the change-over to a higher percentage of Canadian tobacco in any individual brand must be made slowly. But the change is being effected year by year and some recently offered brands of cigarettes and pipe tobacco, produced almost entirely—if not entirely—of Canadian tobacco, have gained rapid popularity.

In Britain, some manufacturers are definitely pushing lines made entirely of Canadian tobacco and there is good reason to believe that, with or without the aid of a larger preference for Empire tobaccos, the Canadian product will find a steadily increasing sale in that market. This will make the Canadian growers less dependent upon the one largest domestic buyer in Canada.

PRESSURE SHOWS SIGNS OF LIFTING

THERE are definite signs that economic pressure is lifting. While too many problems remain yet unsolved to say definitely that the uphill climb has finally started there are daily new reasons for belief that such is or will shortly be the case. The agreement among European nations on the war debts, while largely vitiated in its practical aspect by the so-called gentlemen's agreement on war debts, was nevertheless a step forward and when taken with the remarkable volteface of that typical American political spokesman, Senator Borah, on the same question, must be regarded as of great significance. The atmosphere that has pervaded the Imperial Economic Conference sessions has also been one of compromise to a degree greater than has appeared in most post-war international gatherings.

The incipient bull market in New York must be taken with a grain of salt for it is so far a purely professional venture and it must not be forgotten that the United States is in the midst of a presidential election and any outward semblances of returning prosperity will win votes for the party whose representative sits in the White House, and which is the traditional supporter of the bigger units in business.

But a world-wide rise in high-grade bond prices need not be taken with the same scepticism. It was an inevitable fore-runner of any change for the better. True, in the past, the cheapening of money and the rise in the more gilt-edged securities has often come so far before the final turn in business that the lag has proven disappointing to the rank and file of business workers. But a strong bond market is a necessary preliminary to the funding of temporary indebtedness and always marks a milestone in recovery.

The depression crisis will end slowly step by step and a convalescent economic world cannot expect to do a hundred metre sprint to the top of the hill. We should at least be thankful that some of the hair graying pressure is being lifted.

THAT ARCH-PLOT TO RUIN THE C. N. R.

THE Montreal Witness remarks of Sir Henry Thornton's "resignation" that "Canada has dropped a singularly competent pilot in the midst of troubled and untried seas." But the Witness overlooks a great deal when it refers to the late C. N. R. chieftain as a "singularly competent pilot."

Sir Henry Thornton's primary objective on the Canadian National was to create an organization so firmly supported by the general public that no government would ever dare to challenge the actions of the management. This was an interesting experiment in the field of reconciling public ownership and non-political management but it was doomed to failure in a country with constitutional prejudices such as exist in Canada. The Witness feels that the Achilles heel of Sir Henry Thornton's remarkably forceful personality was his weakness for personal advantages. But the country would gladly have overlooked $149,000 a year worth of salaries and perquisites and even a considerable amount of waste and extravagance had Sir Henry been able to make such a success of the Canadian National Railways that the financial burden upon the people of Canada could have been decreased instead of enlarged during his term of office. Sir Henry failed to make of the C. N. R. either a dictatorship superior to government or a business success and his retirement at some date was therefore inevitable.

The Witness, along with many other papers, expresses the suspicion that Sir Henry's retirement is part and parcel of an arch plot to starve the Canadian National, ruin the morale of the organization, wreck its operating efficiency and reduce it to scrap that can be picked up for a song by the private ownership group in control of the C. P. R. If a serious effort to curtail the colossal annual losses on the government railway, to curb the unfair competition that it has given to every other class of transportation agency in the country, to stop the rapid piling up of new capital obligations is an arch-plot against the Canadian people, let us by all means have a few more arch-plots of this character. It would not take many of them to restore prosperity and lower taxation to this country in short order.

But, of course, there is no arch-plot. The present government has simply showed more courage than previous ones in facing national railway facts. And only a beginning has been made.

According to the chief statistician of the Federal Reserve Board, the United States in 1930 had tight money and easy people; in 1931 easy money and tight-fisted people; what it needs in 1932, he says, is sound money and hard-working people. A very pronounced dry reading the election platforms might forecast for 1933 tight money and tight people.

POST-scripts

WHEN we last counted up the total, there were 198 press representatives registered at the Imperial Economic Conference. The government has attempted to make all the newspaper men feel comfortable and has in every way facilitated their work. Yet all the conference sessions, except the opening one, are being held behind closed doors and if the newspapermen do their work too well they may embarrass the different governments by prematurely publishing stories of conference negotiations.

The government gave the visiting newspapermen a dinner; it provided them with a room equipped with desks, typewriters, stationery and stenographers; it holds a press conference twice a day at which Hon. Dr. R. J. Manion attempts to answer questions without breaking confidences. But it can not say much about what is going on. This does not bother most of the newspaper men who find out lots of things anyway.

SOME astonishment greeted the arrival in Ottawa the other day of editions of two United States papers which, quite independently of each other, published what purported to be practically verbatim accounts of two of the most secret meetings of the heads of the different delegations to the Imperial Economic Conference. One of them in particular was most circumstantial, telling of the hot retorts of this statesman, the glum silence of that one, and the plain speaking of another. Investigation of the cause of the two leaks was of course immediately set under way.

In one case the newspaper correspondent is assumed by other press men at Ottawa to have gotten his account from a party who was properly present at the meeting. In the other case the story goes that the correspondent calmly walked into the meeting hall and sat down throughout the proceedings. As no one recognized him everyone present took him to be an official adviser for one of the other delegations.

Now everyone is required to show his credentials before attending a meeting and Prime Minister Bennett himself would not be offended if he were asked to explain who he was and why he was there.

HUNDREDS of unofficial visitors to Ottawa have been kicking their heels for days waiting for the summons from someone higher up to discuss their particular industries or interests and their problems. The United Kingdom official delegation was reinforced by scores of grain men, steel men, cotton men, etc., who came en masse, bringing with them many packing cases filled with intimate background material. But, for the first two weeks at least, these men were not asked for advice. It did not take them long to play all the golf and carry on all the conversations with Canadian and other visitors that seemed requisite for the occasion and they found themselves with nothing much to do but watch their hotel bills mount and comiserate with each other.

In fact there were rumors of much dissension between official delegates and expert camp followers. The official delegates in some cases complained of attempts to lobby them; the industrial chieftains, who after all had an enormous dollars and cents or pound, shillings and pence, interest in everything that was transpiring felt that their opinions should be sought more freely and given greater weight.

And it has been apparent that most of the industrial magnates and representatives of other important interests represented no one but themselves and that the official delegates made up their minds before they came to Ottawa and are not interested much in further suggestions from outside. It has been another case of the inability of the politician to understand the business man and the impossibility of the average business man making any sense out of what the politician does.

The closing days of the conference will probably see the different groups brought more closely together, as the self appointed experts realize that politicians must assume the final responsibility under constitutional governmental systems and the politicians realize that they can do nothing permanent unless it has the backing of the force of public opinion.

Other People's Views

An Impulse to Capital

Barron's, Boston.—Unusual interest attaches to Great Britain's current scheme of conversion of the 5 per cent war loan of 1917. The last operation of this kind and scale was carried out over 40 years ago, when Chancellor Goschen converted the 3 per cent consols, first for some 17 years to 2¾ per cent, and thereafter to 2½ per cent. It was in one respect remarkable for its consequences, and furnished a good example of what happens to an investment structure when an impulse is communicated to any part of it in normal times. It was done, of course, in a period of "easy money," that is, when there was an abundance of capital seeking investment.

By lowering interest on the 3 per cent consols the Chancellor in effect started capital upon a quest for other avenues of employment where interest could be had with safety. This impulse ran through the entire market for investments, each class feeling the effect as the ripples spread. About that time the Rothschild firm floated the great Guinness brewery of Dublin with a capital of £6,000,000. It was in some respects the most sensational flotation ever accomplished. The rush for the £10 shares was such that the firm's offices in New Street were mobbed and application blanks were sold by fortunate possessors for substantial sums. The £10 shares were dealt in before allotment ("when issued") at several pounds premium, and were of course, applied for many times over.

The result of this was to start a veritable "boom" in the flotation of brewery shares, and many of the oldest breweries in the United Kingdom became public companies. Not only was this the case with breweries, but it also spread to other companies of all kinds—good and bad—so that within two years there was added to the London Stock Exchange list a large "industrial" department representing hundreds of millions sterling in share capital. Naturally there were many mistakes made, and worse, and much "grief" ultimately resulted. But as a demonstration of what happens when any part of the investment structure is touched, it was a highly significant phenomenon.

What may be the repercussions of a successful conversion of the 5 per cent war loan, $2,500,000,000, in times like these is anyone's guess. Certain it is, however, that should it be carried through with vigor and despatch we may look for developments of interest, quite apart from the relief in income tax by saving of interest. All will hope that nothing will intervene to hamper the operation.

Guelph Has a Real Problem

Stratford Beacon-Herald.—The city of Guelph has a problem, and it is not unlike that which faced Pharaoh of old when he saw seven lean cattle devouring seven fat ones.

The revenue which the city of Guelph derives from profits out of its ownership of the Guelph Junction Railway, leased to the C.P.R., represents the fat cattle. The operation of the Guelph street railway plays the part of the lean cattle.

Dealing in figures, the Guelph Junction Railway will show a profit of about $40,000, while operation of the street railway will result in a deficit of some $35,000. That does not indicate that the operating loss on the street railway reaches that amount, because there is a shortage of only $2,000 in that account. The road was completely refinanced and reconstructed within recent years and turned over to the Hydro Commission for operation, and it is the fixed charges on this large investment which create the annual levy. The revenue from operation is not sufficient to cope with it.

There are a great many people in Guelph who do not use the street railway services at all, and yet, through their taxes, they will be paying for the transportation of those who do ride on the street cars at less than the service costs. It is a difficult decision for Guelph to tell what to do. If the service were discontinued the fixed charges would remain, and the city would be without a service on which many of its residents have come to depend, and on the basis of which the city has expanded in certain definite directions. Against this is the known fact that street railway revenues are not increasing in any community, and rolling stock and other equipment has the habit of wearing out and calling for replacement investment. We believe Guelph should anticipate the date when it will dispense with the service, but in the meantime it will have to go through a number of unprofitable years until it clears off its obligations.

EMPIRE CURRENCY NEEDS MUCH STUDY

Barclay's Bank, London, Eng., Sounds Note of Warning

"Many of the steps which have been recommended to establish an Empire currency should not be taken without the utmost deliberation as to what the consequences might be," states Barclay's Bank magazine, London, in the current issue, sounding a note of warning to those financiers who would rush into an Empire currency without sufficient study of the problem.

"In any Empire currency which may be evolved," the magazine says, "London must inevitably play an outstanding part but if she is to discharge the difficult functions successfully it is necessary that her credit be maintained at the highest possible level so that the reputation she now enjoys will not be impaired through adoption of measures which fall short of the standards established in the past. It is, therefore, clear that many of the steps that have been recommended, some of which would seriously affect British credit abroad should not be taken without the utmost deliberation as to what the consequences might be. In any attempt to formulate an Empire currency policy, monetary conditions prevailing in other parts of the world must be taken into consideration, for until a common standard is again established to which all the leading nations are prepared to link their systems trade must continue to be conducted under a serious handicap."

Calendar Reform Onus Rests With Business

World Conference Will Discuss Reform Again in 1935 But Business Must Rouse Public Opinion in Meantime if Change is to Come

Circularization in recent weeks of Canadian business corporations by the International Fixed Calendar League which is taking a census on this continent of firms which have adopted the auxiliary calendar of thirteen periods of four weeks each for management purposes, draws attention to the work and present status of the movement for calendar reform which has been under way for many years.

Calendar reform received its first real international airing at an international conference held in Geneva last October. At this meeting representatives from 44 governments decided that the time was not favorable for the immediate application of calendar reform and the hope of sponsors of the thirteen month calendar, used by a great number of business corporations on this continent and in other parts of the world, that such a plan be adopted in 1933 were defeated. The question will again come up for international consideration in 1935 at the next quadrennial Communications and Transit Conference of the League of Nations.

Onus Rests On Business

In the meantime, according to the report of the League of Nations Geneva meeting of last year, the onus for spreading the gospel of calendar reform has been placed definitely on the shoulders of business corporations throughout the world. It is business and economic institutions generally which have most to gain from such a change and the resolution adopted by the conference states clearly that "if the use of these auxiliary calendars became sufficiently general among commercial and industrial organizations and among statistical institutions, and particularly if they were employed by public authority, it would gradually be possible for public opinion to perceive more clearly the consequences of a simplification of the calendar."

From the business point of view, the thirteen-period calendar has very obvious and material advantages, and has been in use by some large concerns for as long as 30 years.

Simplifies Many Problems

It makes possible, for instance, actual statistical comparisons of costs, production and sales and greatly facilitates budgeting. It avoids distortion in comparative statistics caused by the unequal months of our present calendar. This is apparent when it is realized that there is a difference of 11 per cent between the number of days in March and the number of days in February. Counting holidays, there may be a difference of 19 per cent between the number of working days in March and the number of working days in February, depending upon how the calendar shifts the days of the week to different dates of the month from year to year.

Confusion is also caused by the occurrence in the months of fractional parts of weeks and of some week days five times in the same month. For example, five pay days sometimes occur in the same month. In fact, where concerns pay by the week, there must be four weeks in every year which have five pay roll closings. Comparisons of these months with the months which have only four pay roll closings are bound to be out of line unless adjustments are made.

Similar distortions occur in those businesses for which the different days of the week have a varying business value, such as the hotel business, the laundry business, department stores, the grocery trade and transportation. Nearly all are affected by the varying number of Saturdays and Sundays in the month.

Sponsors of this "auxiliary calendar" which an increasing number of firms use for business purposes, point out that 1933 is an ideal year for the adoption of a 13-period calendar because it begins on a Sunday thus permitting closings at the end of each period to correspond with the end of the week.

PLATINUM OUTPUT INCREASES IN 1931

Richer Nature of Frood Ore Accounts For Greater Production

Platinum and metals of the platinum group, including iridium, palladium, rhodium, ruthenium, and osmium were, beside gold, the only metals to show an increased output in Canada in 1931.

Canada is becoming an increasingly important producer of these metals obtained as a by-product from the nickel-copper ore of the Frood mine owned by the International Nickel Co. Small amounts of these metals are also obtained from alluvial gold mining operations in British Columbia. In order to refine increasing amounts of these metals recovered, International Nickel Co. has added to its precious metal refinery at Acton near London and has had formed the Consolidated Platinums Ltd., a selling organization marketing all the platinum production originating in Soviet Russia, Canada, South Africa and Columbia, which constitutes a major portion of the world's output of this metal.

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Business Conditions in Canada

The Week in Business

Political Propaganda Aids Improved Sentiment

Commodity Prices Bright Spot in July

Carloadings at Low Ebb Prior to New Crop

THERE is little question that business sentiment in Canada has for some weeks been considerably more hopeful and that in many lines of activity this improved outlook has been definitely supported by improved buying and some increase in activity. To look at business statistics, however, there is as yet little indication of this, with perhaps the single exception of commodity prices, which have shown considerable strength.

In the United States, it is quite obvious that a presidential campaign is swinging into action and bullish propaganda, initiated for the most part by Republican leaders, will do its best to arouse favorable business sentiment in the next two or three months. Certainly there are many favorable events to work on, chief among which are the successful conclusion of the Lausanne conference, the progress being made in the British conversion issue, the cessation of the drain on American gold stocks and reversal of the gold flow, adjournment of Congress, improvement in security markets and price indices, greater strength of the dollar in the foreign exchange market, and, finally, the speech made by Senator Borah, recommending that the United States enter an economic conference at which war debts could be discussed.

* * *

A GENERAL broadening of the range of commodities whose prices at wholesale have advanced in recent weeks, is conceded as one of the most important and interesting features of the past week. In Canada, unfortunately, there is no weekly index of wholesale commodity prices and, therefore, the only way in which business in this country can keep "au fait" with these sensitive barometers of business is to turn to United States compilations. The official Canadian index of wholesale prices published monthly by the Dominion Bureau of Statistics appears in preliminary form about the second week of the month and when July data is available next week it will probably show the first upturn since October and November, 1931, when a slight gain of 1.1 points was made.

Starting with crude oil, the movement has spread to hogs, sugar, cotton, rubber, coffee and last week to wheat. Various commodity indices have shown advances for three to four weeks and the percentage rise in some cases has been sharper than at any time since the long three-year decline was initiated in the fall of 1929. For instance, the New York Annalist index for July rose over 4 per cent—the sharpest single advance in a month since the index was inaugurated in 1925.

In Canada the good gain made by wheat prices in the past week has been of paramount interest. Until last week, wheat had been neglected in the general advance. Cash price of No. 1 Northern has now touched the 60 cent mark. Only two weeks ago the price was 53 cents, which marked new low ground since August, 1931, and wiped out the gain made in the first week of November, 1931, when wheat rose to 75 cents for the best gain since midsummer, 1929. The increased price is due largely to deterioration of wheat both in Canada and the United States, as a result of very hot weather, which has revealed the inherent lack of reserve moisture, particularly in the drought areas of Saskatchewan.

* * *

CARLOADINGS continue a highly discouraging feature of the Canadian business situation. Current weekly figures (week ending July 23) are at the lowest point for the year and are nearly 24 per cent below the corresponding figure a year ago. Cumulative figures for the year are only 15 per cent from 1931, it being only in the past six weeks that such an unsatisfactory showing has appeared. Reason for the decline is largely attributable to very light grain loadings, although current movement of miscellaneous and l.c.l. freight is disappointing.

Analyzing the Western grain situation, it is obvious that very little movement will be expected from farms or from country elevators to lake and railhead points until new crop arrives. Those in touch with the situation say that not in many years have supplies on hand on farms been at such a low ebb, while in spite of a higher "visible" than a year ago, grain in store at Western country elevators is 3.6 million bushels less than the 36.6 million figure of this time a year ago. The bulk of this increased wheat carryover, of which there is visible 129,500,000 bushels, as compared with 110,500,000 a year ago, is piled up at Fort William and Port Arthur and will no longer figure in the loadings figures. The unusual situation has been created in part by the urge of the wheat bonus, which expired on the 15; the activities of the government-backed wheat pool operators, at Winnipeg, and the heavy demands at farm points on the meagre supplies from last year's crop.

WINNIPEG ALONE SHOWS DEBIT GAIN OVER 1931 FIGURE

Heavier Grain Marketings Produce Good Total for June

Reflecting in part the heavier marketings of grain in the Prairie provinces, bank debits, contrary to seasonal tendencies, showed a gain in June over the preceding month.

The total was $2,202,800,000 in a 30-day month compared with $2,175,200,000, the gain over May after seasonal adjustment being about 10 p.c. Seven centres out of the ten located in the Prairie Provinces showed gains in June, the total for the three provinces being $397,500,000, a gain of 25.5 p.c. after the usual adjustment. Debits in Winnipeg were $258,300,000 compared with $221,400,000 in May, the gain after adjustment being 36.6 p.c. 'Peg was the only city to show a gain as compared with a year ago.

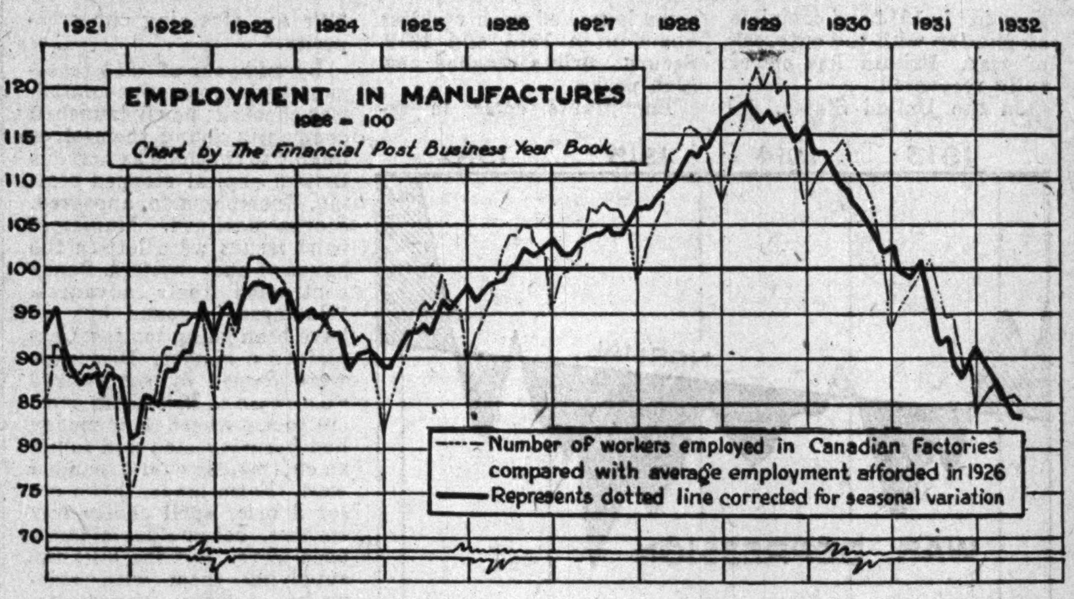
Moncton was the only centre for the Maritime Provinces showing a gain over May, the aggregate for the three centres being $43,600,000, a decline of 10.5 p.c. after seasonal adjustment.

A moderate gain, after seasonal adjustment, was shown in the province of Quebec, a total of $693,400,000 compared with $676,300,000 in May. Debits in Montreal were $639,700,000, a gain of 1.8 p.c. after seasonal adjustment.

Bank Debits to Individual Accounts at Clearing House Centres of Canada

	June, 1932 $	June, 1931 $
Halifax	21,431,560	29,162,382
Moncton	6,447,752	7,349,824
Saint John	15,693,151	18,073,293
Montreal	639,684,101	798,392,162
Quebec	47,379,706	54,284,223
Sherbrooke	6,294,571	8,006,898
Brantford	7,745,196	9,828,515
Chatham	5,200,244	5,710,838
Fort William	5,076,563	5,801,334
Hamilton	45,373,986	57,741,692
Kingston	4,961,685	5,728,483
Kitchener	8,834,623	10,455,453
London	32,108,718	34,968,162
Ottawa	158,990,008	163,517,693
Peterborough	4,711,463	6,290,740
Sarnia	8,809,979	9,500,516
Sudbury	4,308,905	5,602,698
Toronto	639,659,457	859,933,296
Windsor	18,457,318	28,693,703
Brandon	2,795,102	3,197,436
Calgary	48,853,003	57,384,592
Edmonton	32,267,012	37,717,046
Lethbridge	3,078,237	4,489,876
Medicine Hat	1,643,208	2,071,098
Moose Jaw	5,213,381	7,667,871
Prince Albert	1,844,093	2,444,814
Regina	34,226,833	34,885,103
Saskatoon	9,259,749	11,890,830
Winnipeg	258,301,778	256,244,365
New Westminster	4,246,316	6,067,322
Vancouver	96,124,765	123,104,197
Victoria	23,762,959	27,331,916

Manufacturing Employment Holds at July 1



After a steady decline for the past six months, the Dominion Bureau of Statistics index of employment in manufacturing industries in Canada (after seasonal adjustment) began to flatten out, according to new figures for July 1.

The good showing was due to increased activity in food canning, lumber and mineral product factories while the usual seasonal letdown in textile and iron and steel plants was considerably less than is customary. Leather, pulp and paper, chemical and clay, glass and stone groups also showed contraction.

Rise of Commodities Important to Business

July Movement in Wholesale Prices is Sharpest Upturn Since Slump of 1929

Commodity prices are on the move once again. This time they are heading upward and although experts are exceedingly cautious about the future there is no overlooking the fact that July witnessed the most important reversal of form that has occurred since the downswing got under way in the middle of 1929. For instance, The New York Annalist index of commodity prices during July reported a net gain of over four per cent—the sharpest advance for a single month since this particular index was first inaugurated in 1925.

The check to the prolonged decline has been most marked in livestock and related products, while textiles have recently made a good showing. Last week, wheat, lead and silk took the lead and resumed the strong upward movement which had been somewhat interrupted in the middle of the month. Petroleum prices have been strengthening since the spring and coffee and rubber have also made a good showing of late.

Is Partly Seasonal

One angle of this rise which must not be overlooked is that it is in part a reflection of a customary seasonal movement which usually occurs at this time, particularly in agricultural commodities. In each of the past two years of declining prices a similar steadying or rise has occurred, although somewhat later than has been the case this year.

What is feared is that this rise may again prove temporary unless fundamental factors can be brought to bear in favor of an upturn or as a check on deflation. That fundamental factors are not lacking is very evident and this gives hope that this spurt in commodities may be consolidated and further gains made. Stated briefly, some of the most important are: Lausanne, British debt conversion; Imperial Conference; generally improved spirit of co-operation among world powers; new attitude of U. S. to war debts as seen in Senator Borah's address.

Then, too, a general improvement in business sentiment in Canada which has its counterpart in the United States in the determined effort of pre-presidential propaganda to stem the tide of defeatism is important. The absence of excessive stocks of a majority of commodities and probability of a normal seasonal expansion of a number of lines in August are helpful omens.

Commodities Reviewed

Brief outlines of the position of leading commodities and groups and a short statistical summary of the progress made, follow:

Wheat — The past week has featured a 7-cent rise in wheat prices which has brought cash wheat at Winnipeg to the 60-cent mark and is the best grain rise since the flurry of last November which took prices across the 75-cent mark. Deterioration of the Canadian and U. S. spring wheat crop due to drying out of areas where reserve moisture is lacking, and reduced estimates of new European supplies, were the chief cause. Among other grains, rye advanced in sympathy with wheat but corn weakened.

Coffee—Santos No. 4 touched a new high for the year at 11¼ cents per pound last week. The low for the year was 8¾ cents. Curtailment of Brazilian shipments; continuance of revolt and closing of the Port of Santos to coffee shipments, were chief factors.

Livestock and Meat — Livestock prices were among the first to initiate the present recovery in commodity prices. In part this was a seasonal trend and was apparently due mainly to an overestimate by the market of supply, together with some improvement in consumer demand due to low prices. After a gain which in the United States amounted to 50 per cent for hogs; and 19 per cent for cattle, there was a reaction two weeks ago but hogs have subsequently shown improvement.

Sugar—A steadily improving situation in Europe has had a healthy influence on sugar. Estimated European consumption is down by only 3 per cent for the first 11 months of the crop year as against a decline in production of 30 per cent.

Textiles and Textile Products—During July, silk has advanced sharply in price while other materials have been steady despite the fact that the U. S. cotton crop carryover is of record-breaking size. Cotton has advanced and wool has been selling steadily at firm prices. Rayon is also firmer. New York quotations for raw silk closed the month at $1.47½ as against a low for the year of $1.12½. Textile markets are described as considerably broader and are showing continued improvement under seasonal and general influences.

Metals—Attention has been currently centered on lead which was marked up $6 per ton in two days after having sold at new low levels for the century. Heavy demand has preceded and accompanied the markup. Copper is still at its low point for the year (5¼ cents) but has been steady, with a lower tendency in Europe earlier in the past week, followed by an advance. Advance in price for certain forms of iron and steel scrap has been hailed as constructive in iron and steel, with confidence in the development of a regular fall schedule of employment as the chief centre of interest. With very low stocks held by consumers a demand might develop overnight, it is thought, if consumers were convinced the time for buying had arrived.

Petroleum — Recent developments have been not too favorable with daily average production of crude increasing while gasoline prices have been weaker as refiners reduced their operating rate. Petroleum was one of the first commodities to strengthen this spring and Oklahoma crude is currently quoted at 84 cents per barrel as against a low for the year of 69 cents.

Rubber—Prices have been steady with a slight increase at the end of July. Quotes at that time for plantation smoked sheets were 3 and 3/16 cents per pound as compared with a low for the year of 2 and 5/8. The speculative market in this commodity has been very active.

Chemicals — Advances have been more numerous than declines for the first time in several months. Most encouragement comes from textile rather than heavy industrial demand.

New York Annalist Index of Wholesale Commodity Prices
(1913=100)

	June 1932	July 1932	July 1931
Farm prod.	65.8	70.9	88.8
Food prod.	92.0	96.7	111.6
Textile prod.	67.6	66.2	95.8
Fuels	138.2	143.8	119.2
Metals	96.0	95.5	102.6
Bldg. materials	107.2	107.0	116.0
Chemicals	96.0	95.0	98.6
Misc.	80.0	79.5	84.8
All comm.	88.6	92.2	101.9

COMMODITY PRICES AT NEW YORK

	Close July 29 1932	Lowest 1932
Wheat, No. 2 Red (bu.)	$0.63⅛	$0.57⅞ (July 18)
Oats, No. 2 wn.	.30	.29 (July 22)
Flour, bbl. (196 lbs.)	4.20	4.00 (Mar. 24)
Coffee, No. 7 Rio (lb.)	.08¼	.07 (Jan. 2)
Sugar, raw (lbs.)	.0307	.0257 (June 1)
Butter, cr. (lb.)	.20	.16 (June 20)
Eggs, re-g doz.	.16½	.13 (Mar. 1)
Pork, in bbl. (200 lbs.)	20.25	16.25 (May 18)
Beef, family, bbl. (200 lbs.)	13.50	12.50 (May 25)
Iron, No. 2 Phila. (ton)	14.34	14.34 (July 6)
Lead (lb.)	.0295	.0265 (July 18)
Copper (lb.)	.05¼	.05¼ (May 20)
Zinc, E. St. L. del'y (lb.)	.0250	.0230 (May 16)
Tin Straits (lb.)	.2137	.1837 (Apr. 14)
Cotton, mid up (lb.)	.06	.05 (June 9)
Silk, ex. (13-15) lb.	1.37½	1.10 (June 1)
Rubber spot (lb.)	.0312	.0256 (June 24)
Hides (h.n.s.) lb.	.05½	.04 Apr. 19)
Crude oil (mid-con) bbl.	.86	.71 (Jan. 2)

Business Briefs

B. C. Lumber Operations—A total of 321 mills reporting to the West Coast Lumbermen's Association for the week ending July 2, operated at 17.7 per cent of capacity, as compared with 20.5 per cent for the previous week and 26.8 per cent for the same week last year. During the week 218 of these plants were reported as down and 103 as operating.

Canada Wheat Stocks in elevators and afloat in U. S. positions for the week ending July 22, totalled 129,546,000 bushels as compared with 110,476,000 a year ago. During the weeks stocks decreased by 7,467,000 bushels. World shipments for the week were 8,164,000 bu. as compared with 8,707,000 the previous week and 12,320,000 a year ago. North American shipments increased slightly to 5,484,000 bushels

Carloadings dropped to a new low for the year due to light grain shipments from the west, in the week ending July 23. Current weekly figures are almost 24 per cent below the corresponding week a year ago. Cumulative figures for the year to date are down 15 per cent from 1931 and 30 per cent from 1930.

Average Value of the pound sterling declared by the Department of National Revenue for special duty purposes is $4.10, effective for entries during the period Aug 1 to 15, inclusive.

Automobile Production in Canada during June totalled 7,112 cars which was lower than the 8,221 cars of May but exceeded the output of 6,835 cars made in June of last year.

IMPROVEMENT SEEN IN WESTERN BUSINESS

Advertising Executive Completes Tour and Returns Optimistic

A slight but definite improvement in retail purchasing of everyday commodities combined with optimism in face of a better 1932 crop, are two facts which suggest that the prairie provinces are ready for renewed business activities in the opinion of J. P. Patterson, president and general manager of Norris-Patterson Ltd., Toronto. Mr. Patterson has just completed a tour from Toronto to Alaska to study business conditions and prospects.

"It would, of course, be idle to say that new trade activity in Western Canada will follow automatically on the spirit of revival that is evident in many Western centres," said Mr. Patterson. "I know that optimism and a satisfactory crop are only two factors toward business revival but I believe that they are important.

"The plain fact is that, whatever the Imperial Conference achieves, or trade treaties decide, business cannot mend unless there is a steady optimism among all classes to set the wheels of purchasing in motion. That is what I saw in the West. When the masses of our population begin voluntarily to loosen their purse strings—even though it is a depleted purse—I think we may safely say that the road back to prosperity is opened once more.

"In southern Saskatchewan in the very centres, where for four seasons there has been little or no harvesting at all, and where this year there are signs of satisfactory crops, one finds the people talking with sane optimism about the fresh start which Canadian 1932 crops will give them.

"It is a significant fact, too, that here and there I came across retailers who had been satisfactorily surprised with their business turnovers during the past three months. This too is a significant thing.

Canadian Business Indicators

Compiled by The Financial Post

	Weekly Latest 1932	1931	Cumulative Jan. 1 to date 1932	1931
Transportation—				
Car loadings (July 23)	36,687	48,060	1,188,612	1,398,491
C.P.R. gross earn. (July 21)	$ 2,277,000	$ 2,748,000	$ 64,297,000	$ 80,247,000
C.N.R. gross earn. (July 21)	$ 2,784,068	$ 3,298,097	$ 78,198,361	$ 98,144,937
	Monthly			
C.P.R. net earn. (June)	$ 1,578,616	$ 1,919,823	$ 5,251,879	$ 6,806,359
C.N.R. net earn. (June)	$ 1,227,857	$ ‡105,005	$ 2,408,674	$ 1,329,035
Iron and Steel—				
Pig iron, tons (June)	8,163	55,822	77,201	299,222
Steel, tons (June)	18,118	55,605	180,488	461,877
Automobiles prod. No. (June)	7,112	6,835	39,669	66,085
" exports No. (June)	802	1,084	3,119	10,451
Construction—				
Building Permits (June)	$ 4,386,349	$ 8,593,958	$ 22,577,148	$ 58,950,508
Contracts (July)	$ 12,540,100	$ 28,054,700	$ 87,301,000	$ 190,992,300
Newsprint—				
Production, tons (June)	161,368	193,971	1,004,248	1,138,321
Exports, tons (June)	155,895	189,738	933,446	1,025,672
Sugar—				
Imports, raw, lbs. (May)	98,571,500	144,866,300	268,411,800	307,303,400
Melt. & ship., lbs.	75,005,015	72,933,181	§282,554,851	324,727,425
Manufactured, lbs.*	73,721,634	69,359,926	§273,800,533	311,551,974
Flour—				
Production, bbls. (May)	1,040,693	1,183,280	4,781,163	5,527,658
Wheat flour exp., bbls. (June)	570,861	490,294	2,372,226	2,665,258
Other Industrial Indices—				
Lumbering: Plank & board exports mill ft. (June)	110.68	86.85	408.07	459.38
Boots & shoes, pr. (May)	1,656,088	1,740,792	7,570,393	7,402,528
Petroleum, imp. crude, gal. (May)	109,520,000	107,210,000	337,031,589	346,980,908
Cotton, imp., raw, lbs. (June)	4,487,000	5,269,000	46,994,000	46,207,000
Rubber, raw, imp., lbs. (May)	3,171,000	6,155,000	20,322,892	25,684,491
Coal, imports, tons (June)	958,742	1,198,835	4,390,878	5,365,746
Gasoline sales, gals., (Mar.)	27,663,888	....	81,787,845	....
Trade—				
Imports (June)	$ 40,743,105	$ 52,508,534	$ 242,047,511	$ 353,898,594
Exports (June)	$ 40,945,490	$ 54,348,421	$ 228,062,711	$ 291,655,503
Wheat exports, bus. (June)	15,857,427	20,783,219	68,206,072	87,886,709
Labor—				
Employment Index (July)	88.7	103.8	......	......
Electric Power—Output—				
M. Kilowatt hours (May)	1,273,519	1,365,786	6,747,850	7,022,142
Finance—				
Failures, No. (May)	204	163	1,061	944
Failures, Liabilities (May)	$ 3,148,067	$ 2,970,416	$ 17,427,169	$ 17,996,421
Bank Debits† (June)	$ 2,202,800	$ 2,693,500	$ 12,536,824	$ 16,425,106
Bond sales (June)	$ 20,565,444	$ 52,235,397	$ 161,246,484	$ 326,403,511
Insurance sales (June)	$ 40,963,000	$ 46,227,000	$ 218,533,000	$ 261,502,000
Automobile Financing:				
Used cars (June)	$ 1,682,703	$ 2,473,723	$ 7,453,517	$ 12,609,169
New cars (June)	$ 1,771,649	$ 2,444,721	$ 7,823,841	$ 12,981,053

*Four weeks' period, May 28 to June 18. §Jan. 1 to June 18.
†(000's omitted).
†(000's omitted). ‡Deficit.

FINANCE FACTORS SHOW GOOD GAIN IN JUNE FIGURES

But Maritimes Only Economic Area to Make Gain

By SYDNEY B. SMITH

Financial factors were more favorable in June and a heavy wheat movement from the farm to country elevators and from country elevators to intermediate ports was reflected in the monthly survey of economic areas. Bank debits moved up ten per cent over May after adjustment for seasonal tendencies and sales of life insurance were more than 30 per cent greater. Gains were shown in insurance sales in each of the economic areas.

Efforts were made by Western farmers to clear out their bins, taking advantage of the government bonus payment which ended on June 30. Receipts of wheat at the country elevators and platform loadings were 15,000,000 bushels in June compared with 8,205,000 bushels in June, 1931. In providing elevator space for the expected deliveries of the new crop, shipments to intermediate markets, including the Lakehead, Churchill and Pacific coast ports, reached the extraordinary total of 34,069,000 bushels.

Maritimes Gain

Following the trend of other general indexes, The Financial Post indexes for the five economic areas moved downward in June except in the Maritimes, where a slight gain was shown.

Maritimes—Among the construction contracts placed in the Maritime provinces in June, repairs to a steamer at Saint John accounted for $500,000 and a college at Charlottetown was estimated at $260,000. The total amount of $1,333,000 compared with $338,000 in May, the gain after seasonal adjustment being pronounced. Building permits, on the other hand, showed a decline greater than normal for the month. Electric output showed a substantial decline, and employment in industrial enterprises was maintained during the month, while an increase would have been normal for the season. Sales of life insurance amounted to $2,242,000 compared with $1,939,000, the gain after seasonal adjustment being nearly 3 per cent. Placements at government employment offices were only 292 compared with 508 in May.

Iron and steel plants were more active in June, the index of employment being 65.5 compared with 61.7. The Dominion Iron and Steel Company in a recent week had an average force of 929 men. There were four fifty-ton open hearth furnaces in operation and coking time was 19 hours, mostly other units operating on single shifts.

The net result was that index for the Maritime provinces was 104.9 in June compared with 104.3 in May.

Quebec—In Quebec, three factors out of the seven used here showed gains during June. Contract awards were down substantially, contracts in the first half of 1932 being $27,700,000 compared with $58,200,000 in the same period of 1931. Large contracts in June included a transmission line from Montreal to Valleyfield at $600,000 and a substation in Montreal at $300,000. The refining plant at La Salle was placed at $150,000. Building permits were $1,505,000 in June compared with $1,467,000, the gain being slightly more than normal for the season.

The employment situation was not so favorable at the end of the month, construction and manufacturing showing curtailment. The power industry was less successful in disposing of its product, the average daily output being 21,127,000 kw.h. compared with 21,359,000 in May. The gain in bank debits was moderate while sales of insurance recorded a marked increase. Sales in June were $13,116,000 compared with $8,913,000 in May.

The index for Quebec was 95.8 compared with 98.6 in the preceding month.

Ontario—The trend in Ontario during June was downward in continuation of the tendency since the beginning of the year. New business obtained by the construction industry was greater in the month under review, marked increases being shown over the preceding month in contracts and for permits.

Manufacturing plants operated at low levels for the most part, employment being about 15 per cent less than the average during 1926. Despite the drab nature of the actual statistics, a more optimistic attitude has developed recently. The signature of the treaty providing for the St. Lawrence seaway holds out a promise of more active times favorable to Ontario. The automobile industry showed some gain in June after seasonal adjustment but recently there has been a curtailment of activities, a large number of men being laid off at the Ford Motor Co. for an indefinite period.

Sales of life insurance were up 8 per cent after seasonal adjustment and government employment offices were more active.

The index for Ontario was 80.9 compared with 82.3 in May.

Prairie Provinces — Conditions in the Prairie provinces showed further decline in June despite active movement of wheat through country elevators. The crop deteriorated considerably in Southern Saskatchewan during July through lack of sufficient rain. News from other wheat-growing countries indicates that the world crop will not be so great as expected earlier in the season and prices have strengthened accordingly.

While in June building permits, electric output and employment showed declines after seasonal adjustment, other factors used here were more favorable. Bank debits were 25.5 per cent greater and sales of life insurance showed a gain of 18 per cent. Placements by employment offices showed a gain of 28.6 per cent after seasonal adjustment. The index for the area was 92.7 compared with 95.1 in May.

British Columbia—A survey of conditions in British Columbia discloses that the financial factors made a good showing in June while the others considered here were less favorable. Bank debits were practically maintained after seasonal adjustment while sales of life insurance were 18.4 per cent greater. Agents sold insurance to the amount of $17,258,000 compared with $13,660,000 in May. Employment before seasonal adjustment was fully maintained during June, manufacturing showing a gain, but a gain is normally shown from seasonal considerations. Consequently after seasonal adjustment the index would indicate a moderate decline.

The index in British Columbia for June was 86.1 compared with 87.8 in May.

To Expand Vancouver Refinery

The Imperial Oil Company, which already has an investment in refinery and distributing facilities at Vancouver of $12,000,000, is planning to invest $1,000,000 in new equipment and processes at the Vancouver refinery, according to an announcement made by C. O'Sullivan, president of the company. Under the proposed plans, this company's operations in B. C. will involve an annual wage and salary bill of $1,000,000.

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DIVIDEND NOTICES

BLUE RIBBON CORPORATION LIMITED

NOTICE is hereby given that a dividend of Fifty Cents (50c) per share on the preferred shares of the Company has been declared payable on and after August 1st, 1932, to shareholders of record on July 28th, 1932.

DATED at Toronto this 27th day of July, 1932.

J. C. JAMIESON,
Secretary-Treasurer.

CANADIAN HYDRO-ELECTRIC CORPORATION LIMITED

Notice of Dividend on 6% Cumulative First Preferred Stock

Ottawa, Canada,
July 25, 1932.

The Board of Directors has declared a quarterly dividend of 1½% ($1.50 a share) on the shares of 6% Cumulative First Preferred Stock of the Corporation payable in cash September 1st, 1932, to holders of record of such stock at the close of business August 1st, 1932.

Cheques will be mailed. Stock transfer books will not close.

J. R. Binks,
Secretary.

Borden's

COMMON STOCK DIVIDEND No. 90

A quarterly dividend of fifty cents (50c) per share has been declared on the outstanding common stock of this Company, payable September 1, 1932, to stockholders of record at the close of business August 15th, 1932. Checks will be mailed.

The Borden Company
WM. P. MARSH, *Treasurer.*

The Canadian Bank of Commerce

Dividend No. 182

Notice is hereby given that a dividend of Two and one-half per cent in Canadian funds on the paid-up capital stock of this Bank has been declared for the quarter ending 31st August, 1932, and that the same will be payable at the Bank and its Branches on and after Thursday, 1st September next, to shareholders of record at the close of business on the 31st day of July, 1932. The Transfer Books will not be closed.

By Order of the Board,
S. H. LOGAN
General Manager.

Toronto, 22nd July, 1932.

CANADA BREAD COMPANY LIMITED

DIVIDEND NOTICE

Class "B" Preference Shares

NOTICE IS HEREBY GIVEN that a dividend of 50c per share has been declared upon the Class "B" Preference Shares of the Company, payment of same to be made on September 1st, 1932, to shareholders of record at the close of business on August 15th, 1932. The transfer books of the Company will be closed from August 16th to 31st, 1932, both days inclusive.

By Order of the Board.
W. S. ANTLIFF, C.A.,
Secretary-Treasurer.

Toronto, Ont., July 27th, 1932.

Consolidated Sand and Gravel Limited

PREFERRED DIVIDEND NO. 17

Notice is hereby given that a dividend of fifty cents (50c) per share has been declared on the Preference Shares of Consolidated Sand & Gravel Limited, for the period ending August 15th, 1932, payable August 15th, 1932, to Shareholders of record at the close of business July 30th, 1932.

By order of the Board.
A. M. HARNWELL,
Secretary.

Toronto, Ontario, July 26th, 1932.

Loblaw Groceterias Co. Limited

Notice is hereby given that quarterly dividends of 20 cents per share on the Class "A" shares and 20 cents per share on the Class "B" shares of the Company have been declared for the quarter ending August 31st, 1932, payable on September 1st, 1932, to shareholders of record at the close of business on August 12th, 1932. The transfer books will not be closed.

By order of the Board.
D. URQUHART,
Secretary.

Toronto, July 27th, 1932.

McCOLL-FRONTENAC OIL COMPANY LIMITED

Common Stock Dividend No. 12

NOTICE IS HEREBY GIVEN that a Dividend of 15 Cents per share, being at the rate of 60 Cents per share per annum, has been declared on the no par value Common Stock of McColl-Frontenac Oil Company, Limited, for the quarter ending August 15th, 1932, payable September 15th, 1932, to Shareholders of record at the close of business on August 15th, 1932.

By Order of the Board,
FRED HUNT,
Secretary.

July 28th, 1932.

Standard Paving & Materials Limited

PREFERRED DIVIDEND NO. 14

Notice is hereby given that a dividend of fifty cents (50c) per share, has been declared on the Cumulative, Convertible, Redeemable, Preferred shares of Standard Paving & Materials Limited, for the period ending July 31st, 1932, payable August 15th, 1932, to shareholders of record at the close of business July 30th, 1932.

By order of the Board.
N. C. SHIPMAN,
Secretary.

Toronto, Ontario, July 26th, 1932.

MANY FACTORS AFFECT TREND WHEAT PRICES

European Crop Outlook Not Good—Damage in West Exaggerated

From Our Own Correspondent

WINNIPEG.—Last week's optimistic tone in the wheat market was not carried into the beginning of this week. The strength last week seemed to come mainly from buying in the United States, and especially New York, where the cheerful tone of financial markets was reflected in commodity price advances.

So far as wheat was concerned this feeling was assisted by a somewhat exaggerated view of the damage done to spring wheat crops both in Canada and the Northwestern States by recent hot weather. The succeeding weakness this week was led mainly from Liverpool.

World Shipments Low

World shipments continue at a low level, those for last week totalling 9,250,000 bushels, but European consumption of imported wheat is more extensive than this would indicate, as supplies on passage decreased nearly 2,000,000 bushels and there were also decreases in port stocks. The situation indicates very cautious buying on the part of importing countries until supplies of native wheat are fully available. France has successively reduced her import quota for foreign wheat in flour manufacture until it now stands at 15 per cent, and still further reduction is anticipated, to be followed later in the crop year by relaxation as the supplies of domestic wheat are reduced.

The crop outlook for Europe as a whole is somewhat less rosy than a few weeks ago. The general belief is that the Danubian countries will not have any export surpluses. Poorer Italian out-turns as compared with last year may balance the larger crops expected for France and Germany. The absence of pressure from Russia, which was heavy at this time last year leads to the general opinion that Russia will have no surplus to spare this year, either of wheat or rye.

Canada's Prospect Brighter

British millers are now using a high proportion of Canadian wheat in their grindings, and if there are to be no Black Sea offerings of importance to come, Canada stands a chance of making decidedly heavy shipments of wheat during the remainder of the calendar year and until new crop wheat from the southern hemisphere is available. With North America as the chief source of supply for a number of months the distribution of export sales between this country and the United States will depend to a large extent upon the price relationship between markets in Canada and in the United States.

The market has not yet begun to take account of possibilities of a preference for Canadian wheat in the British market. United States traders last week, however, were considerably exercised over possibilities of decisions affecting the exchange rate between Canada and the United States which might come out of the Imperial Conference, and which might alter the ratio of prices between the wheat markets of the two countries.

Government Holding Futures

There was a feeling that the holding of futures, which the market believes is being carried on on a considerable scale on behalf of the Canadian Government indicated some advance information of probable developments. But traders here have advised their connections abroad that there is little anticipation in this market of any immediate developments of the sort.

The warm weather recently experienced has brought the crop on rapidly to maturity, and there is now a great deal more cutting in progress than was anticipated a few weeks ago as probable for this date. It has been too fast to allow development of the full weight of grain of which there seemed to be earlier promise, but on the other hand late grain has had an opportunity of catching up, with damage from frost before cutting a much less probable contingency.

Whereas a month ago there was a considerable degree of uniformity about prospects throughout the West, there is now a sharp differentiation, with some districts expecting less than ten bushels of wheat to the acre, while the expectations of others run well over thirty.

General trade opinion which a short time ago was for a crop well over 450,000,000 bushels, is now inclined toward a tentative estimate not much over 400,000,000, although the latest figures put out by private crop reporters from the United States range from a low of 435 millions to a high of 462. But although there is a good deal of cutting most of the crop can still be affected by the weather to such an extent that a margin of error of more than ten per cent in any estimate can hardly be avoided except by chance.

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Canada Comes Through - - 1913

AMONG the many economic shocks that Canada has taken standing up was the Great War. It came on the heels of a period of extravagant speculation and frenzied development.

A period of war is not strictly a period of depression for while it produces stagnation in some lines of activity it gives unwarranted stimulus in others. In this series of pictures of previous depressions in Canada's history, the early war years are notable because they cloud our economic perspective of the time and almost conceal the fact that in August, 1914, Canada was in the midst of the deepest economic distress and was about to go through a somewhat extended and painful process of debt adjustment and financial unsettlement. But the war came along to change the whole picture. That is why, in the immediate post-war years (which we shall deal with in our final article next week) Canada was one of the bluest spots on the map. We were taking our deferred adjustment from the 1908-1912 boom and the primary adjustment from the war boom together.

The depression of 1913 and 1914 never really ran its course at the time.

It was preceded by a period of real estate promotion, building construction, railway extension, company consolidation, security speculation, immigration and rising prices that is well remembered by the present generation of Canadians. The boom collapsed as the world made up its mind that a big war was going to break out somewhere.

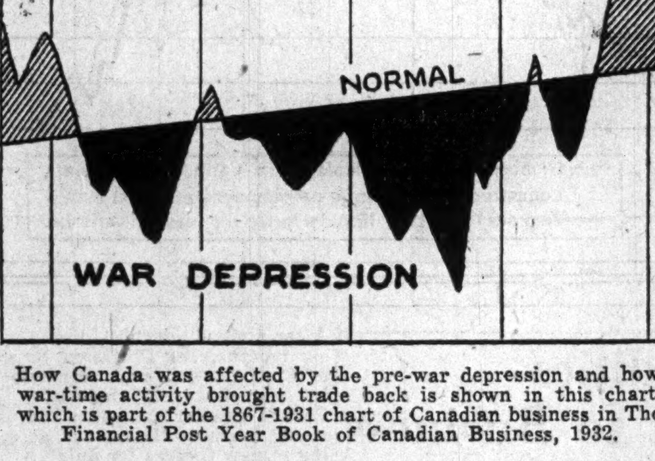
Over in Britain new peaks of economic activity were reached in 1911 and 1912 to be succeeded by much nervousness in 1913, by mild depression in 1914 and complete stagnation with the outbreak of war. Britain has never fully recovered.

In the United States, depression came in 1912, induced by an epidemic of trust-busting; by Balkan war disturbances; by revolution in Mexico and China; by tight money as a result of world financial dislocation. There was a real feeling of panic in 1913, stocks declined sharply. Business fell off abruptly in 1914 and the outlook was not bright when the outbreak of the World War started a panic on Wall Street which forced closing of the stock exchanges. But by December, war orders were beginning to pour in and during 1915 industrial activity rose to new peaks.

In Canada, the contrast between the excess of enthusiasm in 1912 and the difficulties of 1913 and early 1914 was marked. New companies; new land schemes; new towns were launched with reckless abandon in 1911 and 1912. Security prices reached new high peaks.

Immigrants came in increasing numbers. One day 43 families packed up their goods and chattels in a single United States county and moved to Canada; United States railroads raised a defence fund to combat the exodus to Canada.

There were four bank mergers in a single year. Such great companies as Brazilian Traction, Canada Steamship Lines, Algoma Steel came into being as the result of mergers. C. P. R. sold at over 280; Winnipeg Electric at nearly 300; other shares accordingly. The C. N. R. and the G. T. P. railways pressed ahead. New sub-divisions, cities like Port Mann, Mount Royal and Leaside, attracted millions of dollars of speculative capital. Prices, rents and other values touched new highs. One banker warned, "We are straining our prosperity."



How Canada was affected by the pre-war depression and how war-time activity brought trade back is shown in this chart, which is part of the 1867-1931 chart of Canadian business in The Financial Post Year Book of Canadian Business, 1932.

By mid-year of 1913 recession had come. Speculation was checked; newly launched companies found themselves unable to continue as nervous British capital stopped coming. Unemployment appeared. Stocks declined. Municipal bond issues were left in the hands of underwriters. Banks contracted their advances. "Business is sound but we have been going too fast" explained a banker. Dividends were passed by some large concerns. Britishers came out to see where their money had been invested and found an enormously over-expanded west. Farm lands, that were for a brief spell choice city corners, became farm lands once more. But the bills for supplying them with sidewalks, sewers, pavements, etc., had yet to be paid.

The usual phenomena of depression periods appeared; immigration declined; financial scandals broke; editors railed at the "control" of Canadian finance and industry by a well-integrated group of 23 men.

The early months of 1914 saw no lifting of the clouds. There was no doubt that liquidation had a long way to go. Dullness in industry became stagnation with the outbreak of war. Financial panic was averted by prompt measures to suspend specie payments, mobile national capital resources, close exchanges, etc.

Bumper crops, rapidly rising prices, munitions activity, war expenditures from 1915 on deferred the ultimate reckoning.

Canada's stock was low in the world in 1913 and 1914. A few years later the nation had taken its place in the front row of nations.

Next week: THE POST-WAR DEPRESSION.

CANADA DRY PRICE DRASTICALLY CUT, SALES RESPONDING

Profits Much Lower But Apparently May Cover Dividends

Canada Dry Ginger Ale, Inc., consolidated profits on operations for the quarter ending June 30, 1932, amounted to $468,532, as compared with $914,276 in the corresponding quarter of 1931. This quarter contributed most of the earnings of the current year as will be seen by the fact that for the nine months ended June 30 the profit was $677,214, as compared with $1,902,873 for the corresponding period of the preceding year; in other words, to June 30 the profits were not much more than one-third of what they had been in the preceding year.

This result, of course, was obtained after drastic reductions in price and after taking in a period where there has been little hot weather, as compared with 1931.

Addition of other income of $50,512 brought the gross income for the last quarter to $519,045 as compared with $986,108 for the same quarter of 1931. Gross income for the nine months also amounted to $795,601, whereas in the three-quarters of the preceding year the total had been $2,049,004. After deduction of depreciation, interest and United States and Dominion of Canada income taxes, discount allowed customers for prompt payment of bills, provision for uncollectible accounts and miscellaneous items, the net profit for the quarter was $364,169 as compared with $664,549 for the same quarter of 1931.

The accumulated profit for the first three-quarters was $382,350, as compared with $1,336,315 for the nine months ending June 30, 1931.

INCOME AND SURPLUS ACCOUNT
Nine Months Ended June 30

	1932 $	1931 $
Net oper. profit*	677,214	1,902,873
Add: Other income ..	118,387	146,130
Gross earnings	795,601	2,049,003
Less: Miscel. deduct.†	133,238	320,172
Net earnings	662,363	1,728,831
Less: Depreciation ..	219,642	222,216
Interest	9,071	......
Income taxes	51,300	170,300
Net income	382,350	1,336,315
Earnings per Share and Div. Record:		
Earned	$0.74	$2.61
Paid	0.90	2.25

*After deducting from sales, all expenses involved in the manufacture, distribution, selling and advertising of the companies' products.

†Includes discount allowed customers for prompt payment of bills, provision for uncollectible accounts and miscellaneous items.

Financial Position as at June 30, 1932

Current assets	$4,576,774
Current liabilities	841,740
Working capital	$3,734,034
Ratio	5.43—1
Cash and investments	2,877,181

May Cover Dividend

P. D. Saylor, president, points out that the earnings from the stock for the quarter were about 71 cents a share and that the present upward trend of sales may permit the company to end the present quarter and its fiscal year with the current annual dividend fully earned.

He states that the current position of the company is still very strong with current assets of $4,576,774, 5.43 times current liabilities of $842,740, leaving working capital of $3,734,034, of which cash and investments make up $2,877,181.

The company's new plant in Los Angeles, built to supply goods to California, Washington, Oregon, Idaho, New Mexico, Arizona, Utah and Nevada, started bottling on July 7. This was accompanied by a reduction in price, and the method of doing business in California returned to the "return bottle" basis. A definitely favorable response from the public is reported.

"Return Bottles" System Adopted

The company with the present quarterly report omits the items, "net sales" and "cost of sales and expenses," and starts with "profits from operations," stating that this is now a common practice with many corporations whose stocks are listed on the New York Stock Exchange. The change to the "return bottle" system has made previous comparisons misleading except as to operating profits.

OPERATING LOSS $53,583 FOR YEAR OF ONTARIO STEEL

Working Capital is Still Strong — Sales Total Lowest Since 1914

Ontario Steel Products reports a loss of $53,583 before depreciation for the year ended June 30, 1932, as compared with a profit of $50,247 in the preceding year. Depreciation write-off was $9,318 as against $83,385 in the previous year. The company also paid bond interest of $16,188, set aside sinking fund of $31,812, paid preferred dividends of $25,211 and one quarter's dividend on common stock of $10,318. This caused a deficit on the year's transactions of $146,440 and the company's accumulated profit balance was reduced to $42,928.

Working Capital Lower

Working capital is lower at $428,875 from the $625,449 reported a year previously. Current assets are down from $665,682 to $462,603 and current liabilities from $40,233 to $33,728, thus giving the satisfactory ratio of 13 to 1. Included in current assets are Government, municipal and other bonds of $199,198 against which a reserve of $88,176 is set up, leaving the net amount $111,022. The market value as at June 30 was $113,717. Total assets are lower at $2,339,865 as compared with $2,537,354.

President W. Wallace Jones in his report to the stockholders says that notwithstanding the retention of an unusually high percentage of total Canadian trade for products manufactured by the company, sales for the year were the smallest since 1914, and despite drastic economies in all controllable expenses the surplus was reduced.

Staff Changes Announced By Powell River Mills

From Our Own Correspondent

VANCOUVER. — Several important changes in personnel of Powell River Company, British Columbia's premier newsprint organization, were announced this week, by A. E. McMaster, general manager.

R. Bell-Irving, resident manager at the mills, becomes assistant general manager with headquarters at Powell River. J. Falconer becomes resident manager, with P. Sandwell as assistant.

William Barclay, office manager at Vancouver, has been appointed sales manager.

E. C. Lee has been named assistant to the executive vice-president and general manager.

Victoria Gas Extends Mains

The Victoria Gas Company are planning to extend their gas mains into the municipalities adjoining Victoria of Saanich and Esquimalt at a total expenditure of $80,000. More than 50 per cent of this amount will be directly for labor.

Failure of Confidence Hastened Credit Collapse

World Expanded to Breaking Point By Uneconomic Loans to Debtor Countries

Third of a Series of Articles on The League of Nations' Gold Report

"No credit system could survive the wholesale sudden failure of confidence which the world has recently witnessed," states the report of the League of Nations' Gold Delegation in summarizing the causes of the break-down of the international monetary system which culminated with the action of the United Kingdom in September, 1931, of suspending the gold standard.

Many of the difficulties encountered by countries which restored the gold standard following the close of the World War are directly traceable to that event, the report points out. The war led to a serious inflation of many currencies and the return to the gold standard involved some measure of deflation which failed, however, to affect certain classes of goods and services, and failed, therefore, to bring about a new stable equilibrium.

Boom Followed Return

Return to the gold standard by many countries was followed by a period of deflation and succeeded by a renewed expansion of credit which culminated in a boom period of unusual strength and persistence. The breaking of this boom in October, 1929, revealed that the necessity for fundamental readjustments in the price-structure as well as the international financial commitments had been not merely postponed but aggravated.

In addition there remained, and remains, after the inflationary experiences of the war period a feeling of anxiety concerning monetary phenomena and monetary institutions. It was this widespread anxiety which was largely responsible for the many defects in the post-war monetary system and which, at the threatened approach of a crisis, proved almost uncontrollable, according to the report.

Gold Standard Under Pressure

Introduced into a world suffering from a post-war unstable economy, the gold standard was immediately subject to a tremendous strain. Reparations and war debts, intergovernmental debts and commercial debts contracted during the boom period of 1919 and the latter period of 1925-1929, necessitated larger transferences of gold than ever before and the reserves of debtor countries were strained to breaking point. Increased borrowing, mainly by short-term credits, in order to repay previous loans and interest thereon further aggravated the situation and rendered them particularly vulnerable when the economic depression set in.

By dint of serious efforts and sacrifices, debtor countries also created considerable export surpluses in their commodity trade, thus adding to the selling difficulties of the world's markets.

Survey of Attempt

The events which led up to the final breakdown of the post-war attempt at restoration of the gold standard are briefly summarized by the report, as follows:

"The second period of post-war credit expansion culminated in a great industrial and speculative boom, mainly, but not wholly, in the United States. Toward the end of that boom, especially in 1929, the supply of capital available for long-term investment, particularly in the raw-material-producing countries, fell away very considerably.

"Even before the boom ended, the difficulty of raising new loans placed many countries, particularly those which had borrowed too freely, in a precarious financial position, so that they endeavored, by every means in their power, to mobilize an active export surplus with which to meet their international obligations. There was a marked increase in the production of raw materials and an accumulation of world stocks.

Fresh Loans Cut Off

"The inevitable result was to create a heavy selling pressure which rendered the price structure very unstable. Those European countries which had borrowed heavily in the period of reconstruction after 1925 were affected adversely by the difficulty of raising fresh loans. In order to meet their greatly increased interest obligations, they endeavored to cut down imports and consume their stocks, thus adding to the price instability.

"Collapse of the American stock-market boom in October, 1929, greatly accentuated the fall in prices, which was particularly severe in the case of certain raw materials. Stocks had accumulated and in many cases controls had been established. When credit stringency and a marked drop in consuming power followed quickly on the collapse of the speculative boom, the pressure of the price levels was too strong to be resisted. World markets were demoralized and controls collapsed. A fall of prices, unprecedented in its severity and its persistence, set in which completed the embarrassment of the borrowing countries and many raw-material-producing countries were forced off the effective gold standard as early as 1929 and 1930.

Collapse in Europe

"The situation became worse when the difficulties of a great Austrian bank, the Creditanstalt, were revealed in May, 1931. The troubles of the Creditanstalt signalized the collapse of the over-extended credit structure which had been built up in Europe. The effect of the collapse spread rapidly to other countries, reinforced by fear, amounting to panic, not only of short-term advances, but also of deposits. The storm-centre shifted rapidly from one country to another and it was not long before the international financial relations of all the central and eastern European countries were affected.

Great Britain Succumbs

"By this time a large part.. of the world was in fact off the gold standard; but the panic extended further in the following months. In August and September, doubts were raised of the financial position of Great Britain, which was known to be heavily involved in the short-term -investments now locked up in Central Europe and to have serious budgetary difficulties. A heavy and increasing drain set in which rose to the dimensions of an international 'run' on London. British securities were heavily sold and short-term balances held in London were drawn upon. Despite assistance from Paris and New York, Great Britain finally suspended the gold standard on September 21. Almost immediately a large number of other countries also suspended the operation of the gold standard."

Edmonton Building Activity Gains

Edmonton's building programme continues well in advance of last year. During the six months of the present year 414 permits aggregating a value of $763,300 have been issued, the corresponding statistics for 1931 showing 499 permits issued with a value of $679,275.

FARMING, LABOR SOCIALIST GROUPS JOIN POLITICALLY

New Federation Brings Together Presently Diverse Groups

From Our Own Correspondent

CALGARY—There was formed here last week the Co-operative Commonwealth Federation, intended to unite certain farmer and labor groups into a new political force. The organization meeting followed upon a similar meeting in Regina last week, when an alliance was effected between the provincial labor party and the Farmers' Union of Canada, Saskatchewan Section, under the leadership of M. J. Coldwell. The meeting was under the chairmanship of E. J. Garland, M.P., U.F.A. member for Bow River.

J. S. Woodsworth, Labor member for Winnipeg was chosen president, and Norman Priestly, vice-president of the United Farmers of Alberta was elected as secretary.

The provisional committee includes also George H. Williams, and Mrs. L. Lucas of the Saskatchewan farmers' organization, John Queen, labor member of the Manitoba legislature, Angus MacInness, labor M.P. of Vancouver, A. R. Mosher, secretary of the Canadian Brotherhood of Railway Employees, Mrs. J. Latham of the women's section of the U.F.A and W. F. Irvine, U.F.A. member of Parliament for Wetaskawin.

Program Far-Reaching

The programme of the organization declares in favor of the establishment of a planned system of social economy for the production, distribution and exchange of all goods and services; socialization of the banking credit and financial system of the country, together with the social ownership, development, operation and control of utilities and natural resources, and the encouragement of all co-operative enterprises which are steps towards the achievement of the co-operative commonwealth; and provision for insurance against crop failure, illness, accident, old age and unemployment. It is declared that the federal government should accept responsibility for unemployment and supply suitable work or adequate maintenance.

Effect on U.F.A.

As a new force in Dominion, however important it may become in the future, the new organization has not attracted much attention. There is however, decided interest here in what it means for the United Farmers of Alberta. That organization has taken the responsibility in the past for the election of members of the Legislature who support the present government, and for that of the U.F.A group in the House of Commons. But although willing enough to claim control, which to some extent it has actually exercised, over governments and members of Parliament, it has preserved a highly independent attitude towards other groups and organizations. The existence of a progressive party, for example, was never recognized in Alberta. In that province only one organization could be recognized, and that was the U.F.A.

Now it appears the U.F.A. is to be one of the foundation members of a new organization, which when set going will have a national organization responsible to provincial organizations, which in turn will be made up of other bodies.

James Ross Elected to Pulp and Paper Board

From Our Own Correspondent

MONTREAL.—Appointment of Dr. James H. Ross as director of the pulp and paper division of the Forest Products Laboratories of Canada has been announced. He has been in charge of research work carried on at the institute in co-operation with the Canadian Pulp and Paper Association since 1930.

Dr. Ross is a McGill graduate in chemical engineering and a Doctor of Science of the University of Geneva.

Paramount Interest Ready

Paramount Publix Corp. on July 29 deposited with the Chase National Bank, Trustee, funds in payment of the coupon due Aug. 1, 1932, on its 5½ per cent gold debentures.

Forward!

Increase in Issued Business
over first 6 months of 1931

14%

Increase in Paid for Business
over first 6 months of 1931

17%

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Your Investments

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Canadian Vickers

As a holder of Canadian Vickers bonds I would be glad to obtain the following information regarding the damage sustained to the plant and other property in the recent explosion and fire which occurred at Vicker's plant. Was the company in any way protected by insurance on its own plant or other property against damage by explosion or fire, and what is the position of the company with regard to the damages which, according to the article appearing in your issue of July 9, amounted to approximately $500,000?

No official statement has been issued by Canadian Vickers in respect to the damage sustained to the plant and other properties in the recent explosion and fire. We are given to understand, however, that all property damage is fully covered by insurance.

Liability in connection with the deaths of various workers and firemen, as well as injuries, will be covered under the Quebec Workmen's Compensation Act. Approximately $500,000 will be paid by the Quebec Government to the survivors of the victims of the Cymbeline disaster. The Government is also to pay pensions for temporary and permanent incapacities.

Can. West. Natural Gas

We would appreciate a report from you as to the advisability of retaining an investment of 25 6 per cent preferred shares of Canadian Western Natural Gas, Light, Heat & Power Ltd. We understand that the earnings of this company are holding up well, but that their association with the Insull interests may be detrimental.

Canadian Western Natural Gas, Light, Heat and Power, Ltd., earnings appear to have been well maintained at a level which provides for preferred dividends with a good margin to spare. The recent action in cutting the dividends on the common stock to an annual rate of 4 per cent, which is more in line with earnings, would appear to favor preferred shareholders. The policy of the past two years in paying common dividends in excess of common share earnings, we have felt, warranted some criticism.

On the basis of information now available, it is impossible to judge just what effect, if any, the position of the Insull interests will have on the company. So long as common dividends exceeded common share earnings, the position of the company and the preferred shareholders was being weakened.

Donnacona Paper

Please be good enough to outline for me the prospects of Donnacona Paper Co. I bought some of the debentures at par; do you think there is any chance of my getting my money back? Is there any market for these debentures today?

Obviously, it is yet too early to make any prophecy regarding the future of Donnacona Paper Co. As you know, a comprehensive reorganization has been planned and already approved by the first mortgage bondholders, but debenture holders have yet to vote on the proposal.

In view of the unsatisfactory conditions in the newsprint industry, it will likely take some time for Donnacona to recover its position. Interest on the first mortgages has been waived for two years and will not be paid in the succeeding two years unless earned. Debenture holders are being asked to accept two shares of Class B common stock for each $100 principal amount of debentures held. In view of the fact that prospects for interest charges being paid are somewhat uncertain for the next four years, the outlook for the Class B common stock is not very encouraging at the moment. With a gradual increase in newsprint consumption and an improvement in the industry itself, it may be expected that the shares eventually will develop an earning power. There is no market for the debentures.

Canada Cement

As a recent subscriber to The Financial Post I would be obliged if you would give me details of the structure of Canada Cement Co. together with share earnings in the two last fiscal years.

The present Canada Cement Co. came into being in August, 1927. Its capitalization at the end of November, 1931, consisted of an authorized issue of $30,000,000 5½ per cent sinking fund first mortgage gold bonds, series "A," due 1947, of which $20,000,000 were issued and $19,178,000 are now outstanding. The authorized preferred stock amounts to $25,000,000 3½ per cent sinking fund cumulative, of a par value of $100, of which $21,000,000 was issued. There was outstanding at the end of the last fiscal year $20,965,400. Authorized no par value common stock totalled 750,000 shares, of which 600,000 shares are issued and outstanding. In addition the company had outstanding as at the end of November, 1931, purchase money obligations amounting to $900,000, payable $300,000 per year.

The income account for the 1931 fiscal year showed earnings on the preferred stock of $7.41 and 32 cents on the common stock. This compares with $7.46 on the preferred and 34 cents on the common shares in the preceding year.

Canada Steamships

Would you advise a purchase of first mortgage bonds of Canada Steamship Lines? I have had such a move in mind for some time in view of the low price of the bonds.

Outlook for Canada Steamship Lines is depressed by the fact that there has been no improvement in shipping activity on the Great Lakes this year. Rates on grain, which forms the company's chief source of revenue, have been drastically cut and recent tariffs have been at a level which hardly allowed a steamship to cover its operating expenses. Formation of a shipping pool, known as Associated Lake Freighters, is expected to make for stabilization in rates, though the newly established tariff is still very low, namely, 4¾ cents a bushel for the haul from Fort William to Montreal.

As you know, Canada Steamship Lines has not been successful in earning its fixed charges, after depreciation, in the past two years, and the present low price of the bonds indicates that there is doubt as to the company's ability to maintain interest payments. Unless there is a considerable improvement in earnings it is possible that some sort of reorganization will have to be undertaken; consequently any commitments in this security should be made with care.

Dominion Motors

Do you consider Dominion Motors a buy for a hold?

My thought in writing you is that the auto business is not out of the woods and hence may have a year or two of poor business ahead.

Should such be the case, has Dominion Motors the necessary reserves to stand such a period?

Dominion Motor's last report showed the company as having good reserves, but as you say the automobile business is not yet out of the woods and a speculation made at this time would be without knowledge of future events which will decide what automobile companies will do. Naturally there will have to be greater business confidence before purchasing of automobiles will proceed at a greater rate, but also you have to allow for changes wrought by competition for available business between companies. It cannot be foreseen just now what models will be brought out in the next two years.

Brooks Steam Motors

My mother still owns some stock of Brooks Steam Motors. Has it any value at present or any prospects of acquiring value?

Brooks Steam Motors, Ltd., shares have no present market value. The liquidator has realized sufficient from the sale of the building, after disposing of the City of Stratford's claim, and the sale of machinery, care, etc., to pay the costs of the liquidation and to pay the claims of the creditors in full. There may be a small surplus over and above these claims but there would not be more than one cent on the dollar for the shareholders. It has been thought wise by the liquidator and by the Master to use this money in suing Brooks on the Company's claims against him of upwards of one million dollars.

Imperial, B. A. Oil

I am taking the liberty of writing you re some of my stocks. I bought 26 shares Brazilian at $60, 60 shares Imperial at $23.50, and 25 shares B. A. Oil at $19.

Would you advise buying more at reduced prices today? What is the report on Humberstone Shoe?

Imperial oil continues to earn more than the amount required to pay dividends but 60 per cent of the dividends paid comes from outside Canada. International Petroleum earns most of it in Peru and Colombia and as a consequence revolutionary activities in Peru occasion some anxiety. Aside from the possibility of political interference International Petroleum seems strong enough and well enough sponsored to hold its own in world trading with other companies. Just what effect the recent duty put on by the United States will have on production and sales of International Petroleum is yet to be demonstrated, but officials do not appear to be worrying.

B.A. Oil is the second largest oil company in Canada, Imperial Oil being the first. It is a wholly integrated company with some crude production in Oklahoma and East Texas, leased oil tankers bringing the oil to its modern refinery at Montreal and its own lake oil steamers taking considerable amount of it on to the refinery at Toronto. The company made more money in 1931 than 1930 and in 1932 to date it is believed to have maintained its position very well.

B.A. Oil is not as strong financially as Imperial but it has its market more concentrated and depends almost altogether on its market in Canada for its returns.

Humberstone Shoe has reduced the dividend rate to $2 a share on 20,000 common shares. The company is not one of the larger companies of the Dominion, but it does quite a large business in relation to its small capitalization. It has no funded debt and it has a good dividend record. Working capital is strong and the company has been doing, in the period of depression, an increasing business with smaller profits. For the last five years its position has been good.

Paramount Publix

I saw the report of Paramount Publix Corp. in your edition of July 9, but I would like to get your personal opinion in regard to that stock.

It is selling pretty low just now and I am holding 200 shares that I purchased at 10. Do you think that the Co. can pull through or is there any danger of it going into liquidation?

We think that the danger period for Paramount Publix as for the whole moving picture industry is in the next two or three months. We cannot tell whether there is any danger of it going into liquidation or not. There are certain court cases pending whose ending no one can predict with certainty.

The company is making a very strenuous effort to attract the public in the picture year beginning this month by having a large number of good attractions and starring popular actors and actresses.

It is, of course, absolutely essential to have strong attractions if the various theatres in Canada and the United States are to get patronage sufficient to make them continuously profitable. Just at present in both countries, but especially in the United States, many theatres are operating in the red. A good attraction in these in any week generally puts them in the black figures. An improvement in business confidence would help and especially greater employment.

Investors Syndicate

What is your opinion of the Investors Syndicate, of Minneapolis, sellers of installment investments?

Resources of Investors Syndicate of Minneapolis, as shown by successive balance sheets, have increased from $2,600 in 1894 to more than $40,000,000 at the end of 1931. The expansion of the company has been effected by money for the most part obtained from the sale of investment certificates under which the company agrees to pay at the end of 10 year periods certain stated sums in return for periodic payments by purchasers of investment certificates.

Balance sheets of the company show the liabilities of the company under these certificates to be fully protected. We have not seen a discussion of the assets of the company or its position by any state or provincial authority although these take some interest in the activities of the company.

The purchaser of an investment certificate should enter into such a contract only after carefully considering the possibilities of his maintaining regular payments asked for over a period as long as 10 years. If he is able to maintain those payments, then the sum obtained at the end of ten years would show a distinct profit to him. If, however, he is unable to continue payment at the end of the first, two, three or four or five years, the contract would not have been a profitable one. During the first few years necessarily the company's payments of commissions to those who sell the certificates and other preliminary expenses have to be absorbed from the first returns from the sale of new certificates.

The various saving plans outlined to you are interesting and apparently attractive to a great number of people. One drawback is the difficulty of judging over ten years what may happen to any human institution.

Welland Canal Cost Close to $200,000,000

Government Figures on Cost Do Not Include Cost of Raising Money or Interest During Construction

By H. E. M. KENSIT, M.E.I.C., M.A.I.E.E.

This week the new Welland Ship Canal will be officially opened by the Governor-General of Canada, and the ceremony will be witnessed by notable visitors from all over the world. Hundreds of columns of space will be devoted to describing the event and the canal itself. One question probably will not be touched upon elsewhere: What the canal has cost the country. In this article a Canadian engineer attempts to answer the question.

The fourth Welland Canal is now in service and practically completed and the point of special interest about it at the present time is that the expenditure thereon may come to be counted as a credit to Canada on the cost of the projected St. Lawrence Waterways.

Started in 1913 on an estimated total cost of $55,000,000, it was opened to traffic in 1930 though not completed to full depth, and as at the end of October 1930 the "net" expenditure" on the canal had amounted to about $120,000,000 or including its power house and engineering expenses to about $128,000,000. As it was not then completed the net expenditure may be taken in round figures at not less than $130,000,000. This expenditure is understood to have been met by annual appropriations from the Consolidated Fund, these running as high as $25,000,000 in a year, and the published cost is understood to be the bare construction cost—the work being carried out by the Federal government no charge is made for the cost of raising or providing the capital or for interest during construction, both inherent and unavoidable expenses which may be somewhat lower but are not any less real than if the work was carried out as a commercial undertaking. There may be other items, such as preliminary expenses, purchase of land and compensation to landowners, legal and insurance expenses, administration, etc., that should be added, but the present discussion may be confined to cost of money and interest during construction.

Cost of Raising Money

Even governments do not get money without cost for raising or collecting it, nor without paying interest on the borrowed portion, and it is of interest to estimate what the actual cost of the Welland Canal has been to the country and its taxpayers. Such an estimate cannot be any more than a first approximation, for a complete statement of expenditure by years would be necessary to the making of a close estimate.

What does it cost the government to obtain money?

The Canada Year Book shows that for the fiscal year ending March 31, 1930, 85 per cent of the total Consolidated Fund receipts were from taxation, that is from customs, excise, income and war taxes, all collected by the National Revenue Department, and the report of the Auditor General shows that the expenditure of this department, that is the cost of operation or collection, is about 3.7 per cent of the total receipts, so that money obtained by taxation costs the government at least 3.7 per cent. The "non-tax revenue" that constitutes the other 15 per cent of the Consolidated Fund receipts covers some 28 items and includes revenue from canals, Dominion lands, inspection, etc., but by far the largest item is the Post Office, which is credited with over $33,000,000 or 53 per cent of the total, and the Post Office during the same period is shown to have produced a deficit of over $2,000,000, so that the effect of "non-tax revenue" would probably be to increase the above given cost of collection to more than 3.7 per cent.

Discount on Issue

Whenever the government needs more money than is furnished by the Consolidated Fund, as of course it often does, it must issue bonds or treasury notes. The issue of bonds must always involve substantial cost for brokerage, discount, banking and other expenses, ranging from 3 per cent under the best conditions to about 5 per cent. For instance it is stated that when the Dominion borrowed $100,000,000 in the United States in 1930 it received only $95,250,000, or the cost of issuance was practicaly 5 per cent, and annual interest must of course be paid on the amount issued.

These two funds, Consolidated Fund and bonds, or treasury notes that must be replaced by bonds, are the government's only sources of money for all expenditures—they constitute the nation's purse and it makes no real difference which partition of the purse a particular expenditure is said to come from—the real cost to the country of any public works is the money spent plus the cost of obtaining that money, and the real cost of obtaining the money is the weighted average cost for both the said sources. In the fiscal year 1930 the receipts from Consolidated Fund were $446,000,000 and the Funded Debt stood at $2,228,000,000 or just five times as much The average first cost and annual cost of these funds may now be considered.

First Cost of Money

It has been shown above that the cost of money from the Consolidated Fund is 3.7 per cent. The total cost to the Government of issuing bonds, averaging favorable and unfavorable conditions, may be taken at 4 per cent. The weighted average cost on these bases of obtaining money by both methods works out to 3.95 per cent, so that the cost of supplying $130,000,000 for the Welland Ship Canal has been about $5,350,000.

Annual Cost of Money

The annual cost of money from the Consolidated Fund appears to be fairly steady at about 3.7 per cent or a little more. As to bonds, for every $100 of cash received the Government must issue an average of about $104 of bonds—the "Charges on debt" averaged 4.4 per cent in 1914 and 5.5 per cent in 1930 (about the period of construction of the Welland Canal) or an overall average of 4.95 per cent on the amount issued, but this is about 4.95×104/100 or 5.15 per cent on the cash received. The "charges on debt" on the cash received from bonds are therefore 5.15 per cent. The weighted average annual cost of money from the two sources works out to 4.91 per cent and this represents the average rate or annual charge the government pays for its funds from all sources, and the rate that may be properly charged for the use of those funds.

Interest During Construction

Since, as shown above, the government pays an average of at least 4.9 per cent for collection of or interest on its funds, it certainly appears legitimate in estimating the total cost of public works to allow interest during construction at that rate.

The construction of the Welland Ship Canal took from 1913 to 1931—work was stopped for about two years during the war but on the other hand it may be taken that there will be a considerable interval between opening for traffic and full utilization and that the period of construction may be taken as 18 years. To exactly calculate the amount of interest during construction would require complete particulars of the dates of expenditures, but the Joint Board of Engineers for the St. Lawrence project considered that an allowance of 5 per cent per annum for half the anticipated period of construction for that project would give a fair estimate, and the same method may be used for the present purpose. At 4.9 per cent per annum for 9 years the amount for interest during construction of the Welland Ship Canal, on the basis of $130,000,000 cash cost, would be $57,330,000.

The foregoing discussion of the real cost of the Welland Ship Canal may be summarized thus:—

Construction cost	$130,000,000
Cost of providing $130,000,000 cash, 3.95 per cent	5,350,000
Interest during construction over 18 years, 4.9 per cent for nine years	57,330,000
	$192,680,000

As before stated, in the absence of exact figures this can only be considered a first approximation, but it is submitted that if it should be a matter of putting a valuation on the Welland Ship Canal the above is a fair method of arriving at what the total cost to the country has been. If fully analyzed it would probably be found that this cost to the country has been much nearer $200,000,000 than $130,000,000.

Rural Population in Canada

Of the population of Canada 46.3 per cent are rural dwellers and 53.7 per cent reside in urban centres. Ten years ago the proportions were 50.5 per cent rural and 49.5 per cent urban. The largest proportion of rural population is found in Prince Edward Island, where the country residents represent 76.8 per cent.

CEMENT OUTPUT SLUMPS BADLY IN EARLY MONTHS

Drop of Nearly 50 Per Cent to End of May

From Our Own Correspondent

MONTREAL.—Further light is thrown on current activities of Canada Cement Co. by publication of figures covering production of Portland cement in the first five months of 1932. In that period output totalled 1,740,655 barrels which compared with 3,295,580 in the same period of the previous year. In the first five months of 1930 production amounted to 3,018,982 barrels.

Production of Portland cement in Canada in the month of May was slightly higher as compared with the previous month totalling 530,504 barrels against 427,320 barrels in April. The serious drop from last year is revealed in the fact that production in May, 1931, was 1,090,449 barrels and in May, 1930 and 1929, output was slightly above that figure.

Sales Have Declined

With Canada Cement Co. producing the greater amount of cement manufactured in Canada it is clear that sales during the year have shown substantial declines from 1931. This has found reflection in preferred stock values which have declined to levels around 36. Earnings in the fiscal year ended November 30, 1931, were equal to $7.41 a share on the 6½ per cent preferred stock.

Government statistics, which formerly included quotations for cement prices, have dropped this information from reports on cement production. In the United States, however, it is stated that recent advances of from 30 to 50 cents a barrel in middle western states mark the first price increase of consequence there since 1929.

For the two years preceding 1931 the cement trade in the western states was in a chaotic condition as the result of price shading and secret concessions. In May last year the final cut occurred, bringing prices to the lowest levels of 15 years. Since that time prices have showed a gradual firming tendency.

Canada Cement Co. was influenced only to a small degree by the price-cutting across the line though at some points prices had to be lowered to meet the competition from United States offerings.

RECORD PRODUCTION OF BUTTER IN 1931

Value is Less, However, Owing to Big Drop in Price

While the quantity of creamery butter produced in 1931 was 22 per cent greater than that of 1930 and the greatest ever recorded by the dairying industry of Canada, the total value of production in 1931 was less than in the previous year. Provincial figures for the current year show that 1932 production, if the present pace is maintained, will be about the same as in 1931, although Ontario production is currently 7 per cent less than a year ago. Gains are recorded in Quebec, Saskatchewan and Manitoba, the other provinces being about the same as a year ago.

Compared with the previous year, the average price of creamery butter dropped 8.29 cents a pound in 1931 to 22.22 cents, thus accounting for the decreased value, and prices are even lower in the current year.

Creamery butter production in 1931 amounted to 225,802,635 pounds valued at $50,168,738, compared with 185,751,061 pounds, valued at $56,670,504, in 1930.

Ontario with 34 per cent and Quebec with 31 per cent are the chief producing provinces, followed by Alberta 10, Manitoba 9, Saskatchewan 8, Nova Scotia and British Columbia 3 each and New Brunswick and Prince Edward Island 1 each.

Factory cheese output in Canada in 1931 amounted to 113,704,109 pounds, valued at $12,796,616, a decrease in quantity from the previous year of 5,401,094 pounds, or 4.5 per cent, and a decrease in value of $5,293,254, or 29 per cent. The average price dropped from 15.19 cents in 1930 to 11.25 cents in 1931.

About three-quarters of the annual make of cheese in Canada is produced in Ontario, the amount in 1931 being 84,229,945 pounds.

Production of concentrated milk products and revenue from miscellaneous products of dairy factories also decreased in value in 1931 as compared with the previous year, the comparative figures being: concentrated milk products, $7,067,481 $9,955,563; miscellaneous, $34,606,815 and $41,907,595.

Total production of the 2,696 dairy factories in operation in 1931 was $104,639,650 compared with production of $126,623,532 from 2,724 factories in 1930.

GYPSUM PRODUCTION DROPS IN FIVE MOS.

May Output Shows Sharp Improvement Over April

From Our Own Correspondent

MONTREAL.—A decline of 33 per cent in gypsum production during the first five months of the current year is revealed in government figures. Up to May 31, Canadian gypsum production totalled 112,300 tons compared with 95,240 tons in the same period of the previous year and 109,173 tons in the first five months of 1930.

In May, however, output showed a sharp upswing over April totalling 66,139 tons against 23,087 tons in the previous month, but in May 1930, production amounted to 95,240 tons. Activity of Gypsum, Lime, Alabastine, Canada, finds reflection in these figures.

The improvement in May as compared with April was due in part to activity in the export market. No exports were reported in April while there were 11,116 tons of crude gypsum exported in the succeeding month.

Sales of Gypsum, Lime, Alabastine have followed the trend of production. It is understood that in the first six months of the company's fiscal year sales were down about 30 per cent from last year's figures. While domestic sales have dropped sales in export markets have increased appreciably.

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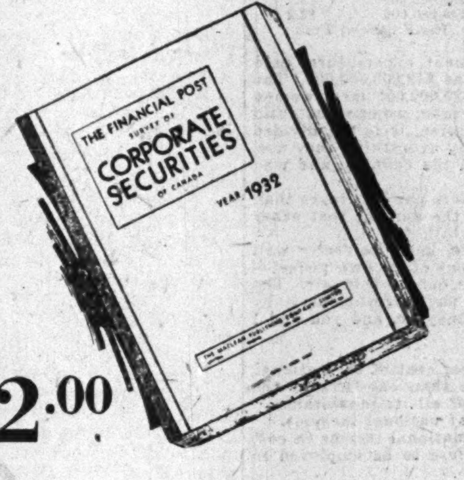

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Bad Benefactions Pile Up Our Taxes

Federal and Provincial Governments Force Municipalities to Spend Money and Then Berate Them

By VICTOR LAURISTON

Taxes are too high.

Does anyone challenge that? Agriculture is protesting. Business is grumbling.

In our search for a cause and a remedy our governmental institutions are emulating the dog that chased its tail. The Dominion thinks the provinces should economize; the provincial governments are planning closer control of municipal spending; the municipalities angrily protest that increased tax rates are due to burdens unloaded on them by the provinces.

In all the clamor and discussion, one vital fact is likely to be overlooked; that municipalities are suffering today from the bad benefactions of provincial and federal governments. They have been bonused and assisted and encouraged into high tax rates and big debenture debts by politicians anxious to get votes and win elections.

It is an old habit.

Municipal Loan Fund

In the early days of responsible government, Upper Canada had a classic and horrible example of misguided government assistance to municipalities. It's interesting to hark back to the Consolidated Municipal Loan Fund as a prototype of the sort of thing from which our municipalities are suffering right now.

In 1852, Sir Francis Hincks instituted the fund. Municipal government had just been granted a few years earlier; and Upper Canada, to encourage necessary municipal undertakings, borrowed money at 6 per cent and re-loaned it to the municipalities at the then easy rate of 8 per cent.

The municipalities borrowed without stint, and spent for all manner of premature public improvements. Each little hamlet saw itself a second Toronto if only it secured a railroad; so money was handed out to railroad promotions. Plank road projects were bonused with money borrowed by the municipalities from the province.

Some municipalities borrowed more than they could ever hope to repay. They didn't try to repay. Municipalities that could repay refused to do so while others were in default. Principal remained unliquidated. Interest piled up. Government after government, afraid of losing votes, postponed the day of reckoning. That Consolidated Municipal Loan Fund nightmare was one of Ontario's heritages from pre-Confederation days.

By 1873 the debt to the province aggregated around $12,000,000. Then Sir Oliver Mowat, by dint of a queer Scotch mixture of collecting, refunding and forgiveness, straightened out the mess. But for many decades a lot of Ontario municipalities were repaying the funded cost of making provincial and local politicians popular in the far-off fifties.

A generation is bound to arise that knows not Joseph; and such a generation is just emerging from a second orgie of governmental beneficence.

Technical Education

In 1919, after exhaustive investigation, the Borden government set aside several millions to encourage technical education. The need was not questioned. A few high schools had commercial departments; but the vast majority of public school graduates had nothing to equip them for industrial or commercial life. As a result, other countries were outstripping Canada in respect to commerce and industry; and technically trained men from the United Kingdom, the United States and even foreign countries were taking the big key positions in Canadian industry.

The federal fund was to be duplicated by the provinces. A municipality spending to establish technical education was to receive from the combined fund a grant equivalent to its own outlay. This, in outline, was the Borden scheme.

The obvious, simple and least expensive method of teaching trades is to provide practical shops in charge of men who understand two things—the technical processes to be taught, and the best method of teaching them. Commercial teaching also, is largely a matter of equally practical training, and to a great extent of actual dictation, transcription and typewriting practice.

Expensive Red Tape

But in most cases when the technical school proposition filtered down to the municipalities through provincial departments of education, it was red-taped with all sorts of arbitrary and expensive requirements. At least half the time and half the class room space must be devoted to academic—that is, high school—work. Teachers must have high academic qualifications, though the ability to teach was not so essential. To qualify for assistance toward the building, a new school must be constructed. An economical desire to save the province and the municipality money by utilizing existing buildings was peremptorily discouraged.

In short, the provincial authority, instead of giving the money to assist bona fide technical and commercial training, tacked on academic work whose extra cost absorbed probably the entire amount of government assistance.

Naturally, the big cities jumped at the bait first. To them, the government contribution was manna from heaven; money that everybody could spend and that nobody had to pay. The early spenders spent lavishly. A plain, practical school without frills might cost $125,000 or $250,000. But when you are getting half the cost from the government—in other words, from Heaven—why not double the outlay and provide swimming pools, gymnasiums, auditoriums and all the fixings?

Raising Teacher's Pay

And as for teachers—we can afford to pay them big salaries. The cost to the municipality is a mere bagatelle, when you allow for government assistance."

Some years ago a small city was paying one of the most efficient collegiate institute principals in the province $3,500 a year after decades of service. It advertised for a principal for its new technical school. The lowest figure quoted by a qualified man with the minimum of experience was $4,500.

Such was the result of a false standard, based on government benefaction. Easy money encouraged lavish expenditure; and lavish expenditure meant unfair competition for communities which tried to run their technical schools on a business basis.

Considering the overload of academic teaching, involving extra teachers and extra class-rooms; the extravagant outlay for buildings and frills; and the false salary basis—it is an open question if the average local municipality couldn't have paid the whole shot for a practical system of shop and business training with a greater variety of practical courses, and saved money.

That may not be the end, though. In 1929 the King government refused to renew the federal grant for technical education. Provincial assistance, on a restricted basis, is still continued to salaries and upkeep, but not to buildings. Should provincial assistance be discontinued, what about the municipalities left holding the bag? A typical case of generous politicians starting something upon a too extravagant basis and leaving municipal taxpayers to foot the ultimate bill.

Next week, Mr. Lauriston will reveal additional examples of bad benefactions by governments.

Every Earner in Canada Hit by Growing Taxes

Excessive Burdens Hamper Business, Reduce Employment—United States and British Experience Give Warning—Wage Earners Should Vote Against Extravagant Government Expenditure

A leading business executive in Toronto forwards to The Financial Post a copy of a short pamphlet distributed widely in the United States by Benjamin Rush, president Insurance Co. of North America. In his covering letter the Toronto executive points out that the various arguments in this pamphlet indicate that the United States faces almost as great a problem in excessive and growing taxation as does Canada and he thinks that the article, if re-printed, would reinforce in the minds of the public the articles on this subject which have been appearing in The Financial Post for years back, and particularly in the last two years.

He adds: "You would be doing a service if you suggested to executives everywhere in Canada that this article should be clipped from The Financial Post and posted in conspicuous places in factories and business establishments and that it would be even better if they made certain that a copy was placed in the hands of every employee. I think that one of our national troubles is that the man on salary or wages, as compared with the employer, and the renter as against the owner of a house or building, do not realize that this subject is of just as vital interest to them as to any other Canadians. There may not be a direct tax levy upon them but it is taken from them just as surely as from those who send the cheques to pay taxes."

Every Earner Pays Taxes

The article by Mr. Rush, entitled "One Reason Why Times Are Hard, Excessive Taxation," runs as follows:—

"The average person thinks that if the tax collector never calls upon him that he, personally, does not pay any taxes—he fools himself, or he allows others to fool him, because every time he buys anything he pays his share of the tax bill of the nation.

"If he lives in a house, wears clothes, eats food, travels from one place to another, buys a newspaper, goes to the movies, in fact, spends money in any way, he cannot help paying his share of the taxes which government lays on property and industry (and by government I mean all government—national, provincial or local).

"The taxes collected by government are included in the price of every article we buy, necessarily so, as I will show you in a minute.

What a Jump!

"The Alexander Hamilton Institute states, in its Business Conditions Weekly, that the total expenditures of all our national, state and local governments have jumped from a total of $2,000,000,000 in 1912 to $12,000,000,000 in 1931. Here are the figures for your consideration:

	Government Expenditures, Federal, State and Local	National Income	Percentage of Expenditures to Income
1912	$ 2,000,000,000	$33,000,000,000	6.1
1922	6,700,000,000	60,100,000,000	11.1
1929	10,800,000,000	85,200,000,000	12.7
1931*	12,000,000,000	54,000,000,000	22.2

*Similar figures for Canada have already been published by The Financial Post.

Badly Distributed

"You will notice that last year the total government expenditure, paid for by taxes, now in effect or about to be imposed, was $12,000,000,000. The population of Continental United States was about 120,000,000 men, women and children. This works out $100 per head for every man, woman and child in the United States, if it was divided equally—of course, it is not divided equally. People, who live in cities, and who have to buy everything they use, pay a higher rate of taxation than people who live in the country, and who raise the food they consume.

"People who spend less money per head than do others pay less taxes than those who spend more liberally, but in proportion to the amount that every one spends so does he pay his share of the total tax bill.

"It must be so, because you, who read this article, know perfectly well that industry cannot pay that $12,000,000,000 tax bill out of its own pocket—it has no magician's wand to produce $12,000,000,000 out of thin air. The only way it can get such a huge sum of money to pay government is by adding it to the cost of what it sells, whatever that may be, and you and I pay our part of it whenever we buy anything.

Much Money Wasted

"You will notice that the tax bill amounted to 22 per cent of the national income for the year 1931, which is a little bit more than one-fifth of the total income of the nation, which means the income of all its inhabitants.

(Ed. note: Canada's taxes take about 25 per cent of national income).

"The absorption of such a large proportion of the national income in cost of government means that there is just that much less to be employed in private enterprise.

"One of the reasons why there are not enough jobs to go around at the present time is because such a large proportion of our income is taken away from private employment to be used by government in unnecessary and wasteful ways.

Who is Responsible?

"Who is responsible for this state of affairs? Why we, the people of the United States, are responsible for it. (And in Canada, we the people of Canada).

"We have demanded a lot of services from our government, which we can no longer afford. We have allowed, and indeed encouraged, the politician to reward political services to himself personally, and to the party generally, by a place on the public pay roll (one adult out of each ten adult persons in the country is now on the public pay roll) and we have done this largely because we have been told, and believed, that somebody else, and not ourself, is paying our tax bills for us. Don't let us "kid" ourselves any longer with this delusion—the only people who don't pay taxes are dead ones.

"If you want to spend your own money instead of having the government spend it for you, you know what you have to do about it.

"You, and your friends, and your employees must organize to elect as your political representatives, persons who have or will pledge themselves to rigid economy in the administration of public affairs—national, state and local—and if they break their pledges to you, you must replace them with representatives who will keep their promises."

The growth of public expenditure, of course, "has been viewed with alarm" in many countries. For example, Barclays Bank monthly review for July, just to hand, also objects to the lavish outlay in Great Britain of public money, first, because the growing expenditure had not been justified by a solution of any of the many trading and industrial problems but had only served to aggravate the position and had been one of the principal factors which forced Great Britain off the gold standard.

The opinion is expressed that Great Britain cannot stand further taxation and that the burden should be substantially eased at the earliest possible moment. Taxation in Great Britain is estimated to take 30 per cent of the national revenue whereas in 1912 the rates and taxes collected represented only 12 per cent of the national revenue. The huge debt and pension liabilities accounted for much of the altered position, but, excluding them, taxes and rates accounted for 18 per cent of the national income. Army and navy expenditures increased from £77,000,000 to £87,000,000. Air force cost nothing in 1912 and now £17,000,000; expenses under the ministry of labor were very low in 1913 and £64,500,000 now; old age pensions went up from £10,000,000 to £40,000,000; and there are £61,000,000 expended in other pensions and subsidies where there was nothing in 1913. Social services cost very much more, education rising from £17,000,000 to £52,000,000, health administration from £4,200,000 to £19,300,000. Interest and management of the national debt make up the heaviest item. Housing and town planning in England has risen since 1913 from £1,000,000 to £35,000,000.

So far as Canada is concerned, the growing attention being given in the United States and Great Britain to this evil indicates that Canada would do well to set her own house in order as quickly as possible. Every drop in taxation will be a stimulant to business and production. Lower taxes encourage capital and increase employment. But if Canada were to stand still while other nations reduced per capita taxation the result would be that Canada would be at a distinct disadvantage in the race for more active trade and production.

Live Cattle Exports Gain

Exports of live cattle to Great Britain up to the end of June, 1932, showed an increase of 898 over the total shipped in the first six months of 1931, and the prospects are that shipments in the next few months will show a greater increase over the corresponding period last year. A statement of the origins of shipments shows 5,204 head from Ontario, 3,338 from Alberta, 788 from Manitoba, 390 from Saskatchewan and 73 from Quebec.

Prairie Provinces Fisheries Output

The fisheries of the Prairie Provinces in 1931 were valued at $1,909,040, nearly all the commercial catch being sold for consumption fresh. Manitoba came first with an output in 1931 of $1,241,575; Saskatchewan second with $453,056, and Alberta third with $184,859. Production of the Yukon Territory fisheries was valued at $29,550. The total quantity of fish of all kinds caught in the three provinces and the territory in 1931 was 291,147,000 pounds.

Gasoline Consumption Rises Faster Than Registrations

Increase in Size and Range of Travel of Buses Boosts Average of Needs for Oil Products Per Motor Vehicle

Every investor in oil company securities will be interested in an information circular issued by the United States Bureau of Mines (of which Scott Turner, former Canadian mining engineer is director) concerning the economic factors influencing the demand for gasoline. The authors, H. A. Breakey, assistant economic analyst, of the petroleum economic division, U. S. Bureau of Mines and E. B. Swanson, chief economist, of the same division have made a thorough study of the factors entering into the increased use of gasoline from 1920 to 1931.

During the first five years of that period, the annual increase in car registration was closely in accord with the yearly increase in gasoline consumption. Both nearly doubled during the five years, and the average yearly gasoline demand did not vary materially per motor vehicle, being around 10.5 or 11 barrels during each year. Since 1925, however, the demand for gasoline increased more rapidly than did the registration of motor vehicles and this study finds that the increased use of motor trucks, buses and taxi cabs has been of particular significance in this connection.

Bus Gasoline Demand Trebles

At first, in order to explain this phenomenon, attention was directed toward the extended mileage of improved highways which stimulated tourist traffic, the larger number of closed cars in use which led to a good deal of winter driving, and the increased power of the modern automobile, but these were not enough in themselves to explain the increase.

As a factor in the determination of gasoline consumtion, the revenue (common carrier) motor bus was almost twice as important in 1931 as in 1925, accounting for nearly 3 per cent of the total domestic gasoline demand in 1931 as compared with half that amount in 1925. The calculated gasoline demand of revenue buses has increased from 3,391,000 barrels in 1925 to 11,468,000 barrels in 1931.

A table shows that the number of buses increased from 23,800 in 1925 to 45,400 for 1931. Though this did not quite double the number of buses the gasoline consumption in barrels by city buses increased from 1,202,000 to 3,621,000 barrels, or about three times, while inter-city buses increased consumption from 2,189,000 barrels to 7,847,000 barrels making a total altogether of 11,468,000 barrels consumed by revenue motor buses in 1931. The continually increasing size of the bus and its more intensive use, has increased its importance as a user of gasoline, far in excess of its increase in numbers.

Annual Mileage Increases

Inter-city buses have registered increasing annual mileage and city and inter-city buses have recorded decreasing mileage per gallon of gasoline. In terms of miles per gallon, the inter-city bus has dropped from 7.94 miles in 1924 to 4.62 miles in 1931, and the city bus from 5.56 miles in 1924 to 3.88 miles in 1931. Inter-city buses have increased their mileage per bus from 48,150 miles in 1924 to 53,563 miles in 1931, city buses have decreased the mileage per bus from 36,749 miles in 1924 to 35,590 miles per bus in 1931. In the same period gallons per bus have advanced for inter-city buses from 6,061 gallons to 11,585 gallons and city buses from 6,616 gallons to 9,176 gallons. The miles per gallon dropped in the case of inter-city buses was from 7.94 to 4.62 in this period while city buses in miles per gallon dropped from 5.56 miles in 1924 to 3.88 per gallon in 1931.

The city bus with its frequent stops, its regular route and its peak loads during rush hours, necessitating the idling of some of the equipment during the day, gets considerably less mileage per gallon of gasoline, travels less miles per year, and has a different seasonal variation in gasoline consumption than the inter-city bus.

Bus Capacity Rises

The decrease in mileage per gallon of gasoline amounts to as much as 31 per cent due to the larger type of buses used. Buses of seating capacities of more than 25 in use by electric railway companies almost doubled from 1925 to 2931.

The average seating capacity of bus bodies manufactured during the past few years indicates the probable immediate trend in the sizes. The average capacity per bus increased from 27.8 in 1927 to 31.7 in 1930 and then declined to 29.6 in 1931. The latter decline may be accounted for principally by the increased output of buses in the 25 to 28 seating capacity range. This is partly due to an increasing sentiment against large buses but also because in some states of the Union tax on buses increases chiefly for buses with a seating capacity of 30 or more passengers.

Mergers Are Rule

Inter-city bus operations have improved equipment and operation as compared with any year from five to ten years back. Instead of a small company operating over a few miles or at best a few hundred miles of route, the recent tendency has been for these small companies to merge into larger ones covering several states. There is one which is international in scope, covering practically all of United States and operating in Canada also.

Gasoline required for the operation of buses is purchased usually on annual contracts, although some purchases are made on the open market. Payment for gasoline purchased on contract usually is based on the prevailing tank-wagon quotation, although some contracts are written at a fixed price. A sliding scale, with a price graduated according to the amount of gasoline taken, is another basis for payment.

The large interstate operators have their gasoline delivered to various points where it is convenient to reservice their buses. Some operators have deliveries in each state proportionate to the mileage travelled therein, so that the gasoline tax paid will be divided among the states in proportion to the use of roads.

Lumber Trade With U. K. Retarded By Measurements

Canadian lumber, as a rule, does not conform to standard measurements in force in the United Kingdom and therefore many builders pass it by in favor of foreign lumber which meets their specifications, according to a letter received in Vancouver from the vice-chairman of the London County Council housing committee.

"There are many thousands of builders and timber yards up and down the country," he writes, "which are accustomed to buying and selling timber of the English size and specification.

"How can we urge these thousands of buyers to use scant measurement timber?" he asks.

The task of introducing Canadian lumber in Great Britain would be much simplified if these irregularities were eliminated, the letter concludes.

CANADA TO PRODUCE RADIUM NEXT YEAR

Eldorado to Build Refinery to Treat Great Bear Lake Ore

Before another year rolls by it is anticipated that Canada will definitely have entered the ranks as an important producer of radium.

Already a concentrator has been established at the mine of the International Radium Resources, Haliburton county, Ontario, to concentrate uraninite, an ore of radium. Near by the Canada Radium Mines is developing a property and plans to install a concentrator early next year.

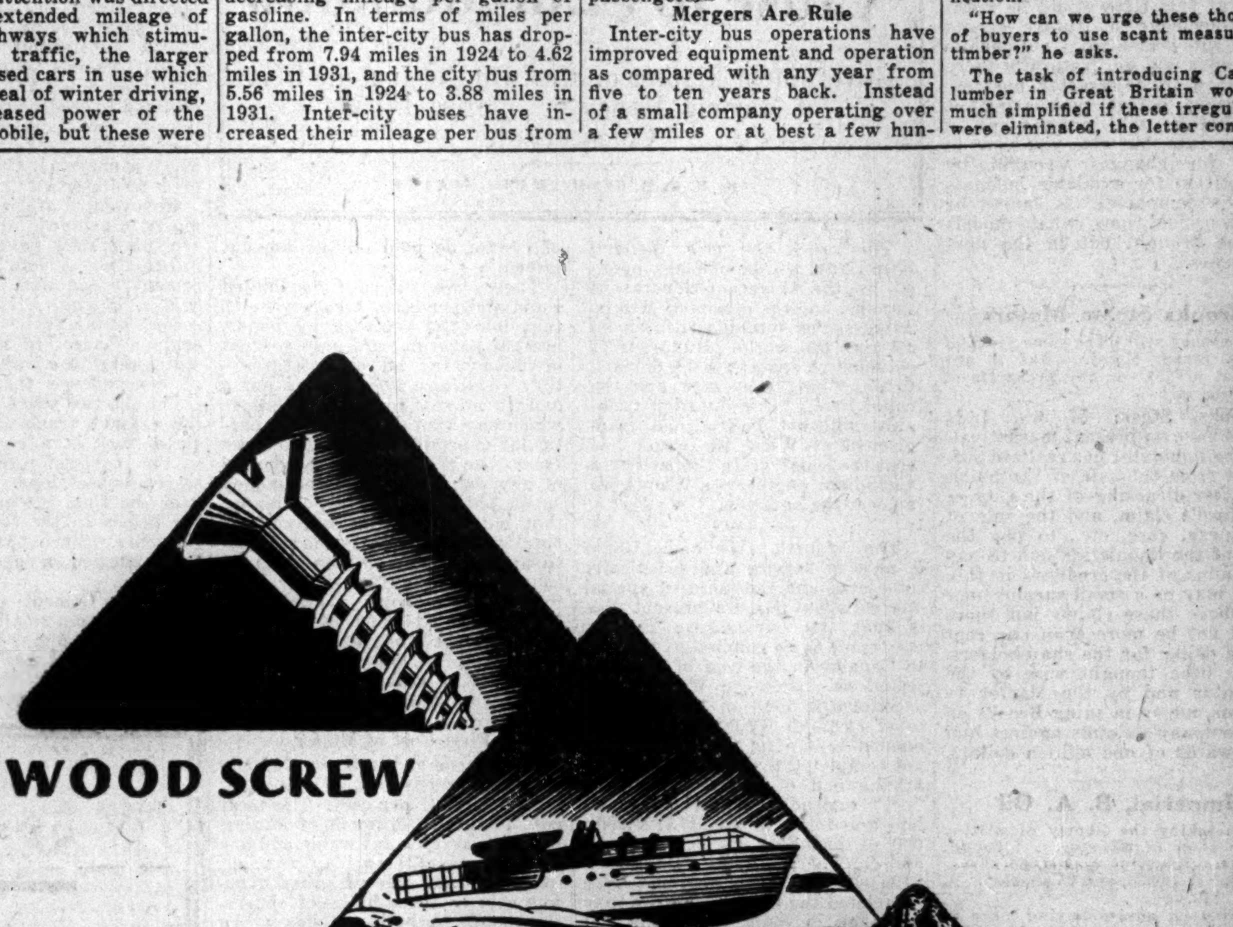
More important, however, is the announcement of the Eldorado Gold Mines to establish a refinery near Toronto for producing radium from its rich radium-bearing ore find at Great Bear Lake. At the present time Belgians hold a monopoly on the production of radium with current prices around $70,000 a gram in small quantities. From the high-grade ore of Great Bear Lake, Canada pins hope of establishing an industry that will make it free of the Belgian producers treating ore from the mines in Belgian Congo.

Brockville Uses Domestic Coal

A cargo of Canadian coal, the first to be landed at Brockville, arrived a few days ago for consumption at the Ontario Hospital, where it will take the place of bituminous coal usually imported from the United States. The cargo in question is part of the programme of the Provincial Government for the more extensive use of Canadian fuel in institutions under its control.

Canadian Consumption of Cereals

Canadians are fond of prepared breakfast cereals and, according to the latest statistics available, consumed nearly $6,000,000 worth of such prepared foods in 1930. This was in addition to large quantities of old-fashioned porridge made from oatmeal and rolled oats. Exports of Canadian manufactured breakfast cereals in 1930 amounted to nearly $2,500,000, while imports were valued at around $250,000.



and all are MONEL METAL

STRONG as steel, rustproof, corrosion resisting, Monel Metal is a natural alloy, the product of Canadian Mines. Composed of 70% nickel and 30% copper, Monel Metal withstands the action of alkalis, hot gases, saline solution and most acids. A beautiful silvery color with a soft platinum-like lustre, it is solid metal clear through with no coating to chip, crack or wear off.

In Soda Fountains, Canning and Preserving Plants, in Hospitals, Hotels and Department Stores, in Power House and Chemical Plants—for an ever increasing number of uses in industry and architecture, Monel Metal is being specified because of its beauty, strength, cleanliness and endurance.

Monel Metal is available in many forms, such as rods, sheets, tubes, wire, castings, special shapes, etc., and may be readily fabricated. It is produced and sold only by International Nickel and its subsidiaries.

We will gladly send you full information regarding the application of Monel Metal for any particular type of service and also the name and address of an authorized fabricator of Monel Metal in your locality.

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INCO NEWS

Interesting new uses of Nickel and Monel Metal in the various branches of Canadian Industry.

▼

Food Service

La Reina Mineral and Soda Water Company have recently commenced the manufacture of Monel Metal containers for handling syrups used in the soft drink trade.

Recent installations of Monel Metal Food Service equipment by the Geo. R. Prowse Range Co., Montreal, include the new Bank of Montreal Bldg., at Ottawa, the Nazareth Blind Institute of Montreal, C.P.R. Windsor St. Station Restaurant, Montreal, and the Royal Victoria Hospital Kitchen, Montreal.

Dyeing

The Globe Hat Works, Montreal, recently put in several Monel Metal Dye tanks manufactured by the Booth Coulter Coppersmithing Company Limited of that city.

Monel Metal is highly resistant to acids, caustic solutions, dyestuffs, soaps, oils, etc., used in dye-houses. It is easily cleaned to permit quick color changes, does not throw most colors off-shade, and enables quick and close color matching.

Power

The Bailey Meter Company, Montreal, has for some time been using Monel Metal for orifice plates on the Bailey Steam and Water Meters.

The Elpeco of Canada Ltd., recently placed orders for a quantity of Monel Metal for machine bolts and nuts to be used on transmission line equipment.

Bolts and nuts of Monel Metal are particularly suitable for out-door installations. They cannot rust; they are as strong as steel, and are not materially affected by sudden or frequent temperature changes.

Marine

The British Manufacturers, Messrs. John Marston Limited, Sunbeamland, Wolverhampton, have now decided to standardize on Monel Metal for tail shaft and for all bolts and nuts in their famous "Seagull" outboard engine, and state: "We would like to take this opportunity of advising you of the highly satisfactory results obtained with the use of Monel Metal in our outboard motors . . . we have just submitted several units to the most drastic tests, including alternated submersion and exposure in polluted estuarine water, without any sign of corrosion."

Soda Fountains

General Steel Wares Limited, Toronto, use literally tons of Monel Metal in the manufacture of working surfaces, trim, etc., in their attractive soda fountains.

Architectural

One of Canada's newest architectural achievements is the new home of the National Research Council. All air ducts of the forced ventilation system that are subject to corrosion are constructed of Monel Metal.

Insurance for Buyer and Seller

How Life Insurance Meets Rigorous Tests Of Present Conditions

Executive Shows Why Life Insurance Maintains High Record

AMPLE RESERVES

Rigorous Lessons of Economic Depression Serve But to Enhance Prestige

By J. H. LITHGOW
General Manager of Manufacturers Life Insurance Co

The business of life insurance is an old one—dating back to the 17th Century in England — and to the early 19th Century on this continent. Through such an extended history it has experienced many vicissitudes, wars, pestilence, and business depressions of varied intensity and duration, including periods of acute financial panic. In view of the conditions we are now passing through it is interesting to review briefly the history of life insurance since its beginning, during which time it has repeatedly faced conditions similar to that now existing.

In England life insurance was linked closely with marine insurance in the early days of its history. About the beginning of the 18th Century it began to gain favor with the public and the prospects appeared bright for a wholesome growth. Unfortunately, a period of great speculative activity ensued and the natural appeal which life insurance was beginning to make encouraged the activities of unscrupulous promoters.

A multitude of companies sprang into being overnight but a proper and sound foundation was lacking and, with the exploding of the "South Sea Bubble" and the end of that speculative era, they collapsed, and only one company, the Amicable Life, survived. These early disasters effectively checked for a time the natural growth of life insurance in that country, but the lessons taught by these early failures contributed later to the sound foundation upon which British Life Insurance later was raised.

United States History Dates to 1843

In the United States, life insurance is generally considered as dating from 1843, in which year the Mutual Life, of New York, came into being and a fairly rapid growth of new life insurance companies ensued until the 60's. In many respects the growth of new life insurance institutions in the United States during this period was comparable to the early history of English life insurance companies in the early eighteenth century.

In Canada, life insurance dates back to 1847, in which year the Canada Life was organized. No further incorporations took place until 1870, some 23 years later, when the Ontario Mutual (or what is now the Mutual Life of Canada), came into being. The Sun Life and Confederation Life followed in 1871, the London Life in 1874, the North American Life in 1884, the Temperance & General Life in 1886 and the Manufacturers Life in 1887. These two latter companies were amalgamated in the year 1900 and the business of the Temperance and General was taken over by the Manufacturers Life. They, in turn, have been followed by the Great-West Life, Imperial Life, Excelsior Life, Crown Life and several others.

Life insurance in Canada escaped those unfortunate periods of mushroom growth and collapse which characterized the early English and American life insurance history.

It will be noted that four companies were incorporated in the 70's, which was a very trying period and one which saw the collapse of many contemporaries in the United States. A number of factors were responsible for the growth of Canadian life insurance companies having been laid on a sound foundation, but too much credit cannot be given to the farsightedness and conservatism responsible for the guiding of our Canadian companies in the early years.

Faces Many Vicissitudes

Entering the present century, the Canadian institution of life insurance encountered the usual vicissitudes of business until, in the years 1914-1918, they faced the unusual difficulties presented by the war. Canada entered the war at its outbreak and, through the entire duration of the conflict, a large proportion of her citizens were in active service on the various fronts. In addition to the new menace to the business of life insurance in the form of war hazard, there was the general dislocation of business accompanying the conversion of the country from peace-time to war-time pursuits. One authoritative source states that during this time the Canadian companies were called upon to meet some $20,000,000 of war claims—in addition to the usual claims of those in civil occupations.

Further, during the last year of the war and in 1919 an influenza epidemic swept the country and accounted for almost $13,000,000 of extra claims, a very heavy strain for the life insurance companies.

Finally, a post-war boom occurred after the conclusion of the war and a short period of sharp business recession resulted in 1921. Although its consequences were of a minor nature as compared with the present period, considerable dislocation of business occurred.

Effect of Present Conditions

I now propose to deal with the effect which present conditions are having on the institution of life insurance. My remarks on any one feature must of necessity be brief and in certain instances, while I have the facts and figures available to support what I say, I have decided not to inflict you with the detail of them and shall have to ask you, therefore, to accept what I shall say in those instances as correct.

In the first place, as you well know, the volume of new business has been curtailed, not because life insurance has fallen into disfavor—on the contrary at no time have the benefits of it or the necessity of it been more appreciated—but on account of the financial inability of people to purchase it in as large amounts as formerly. It must be remembered that life insurance is not a commodity but is a promise to pay money and if we consider the fall in price of commodities and the cost of living, we will find that the amount of new life insurance being sold measured in terms of its purchasing power is still on the increase. This is to my mind conclusive evidence of the fact that life insurance continues to grow in public favor, and that public confidence therein has not been lessened but has increased under existing conditions, and that any improvement in those conditions will bring with it immediately increased sales.

The same factors which have affected the volume of new business have adversely affected the renewing of existing business and terminations by lapse and particularly surrender have been abnormally high. So heavy have they been that in the United States in 1931 at least one half of the companies showed a decrease in business in force during the year and the other half but a very small increase. I am informed that a reduction in business in force is general there with all companies this year. In Canada in 1931 nearly all companies showed some gain in insurance in force but a much smaller gain than in former years. It may be that in Canada the full effect of the termination of business will not be felt until this year and while after a number of years of unbroken increases, Canadian companies may show a decrease, it in no way reflects on the stability or safety of the companies but is simply a sign of the times.

Policy Loan Worries

The problem of policy indebtedness is not a new one as it has been discussed time and time again in the past but the extent to which it has grown makes it one of considerable importance at the moment. This is not because of any question as to the ability of the companies to meet the demands therefrom, as they could be multiplied without causing embarrassment on that score but because one cannot help but be concerned as to the ultimate future of policies thus loaded with indebtedness. The payment of interest in addition to the premium combined with the reduced amount of protection, has a decided tendency to cause the policyholder to become dissatisfied with his insurance and desire to replace it with a clear policy.

At first thought it might be concluded that such a procedure even on a wholesale basis would not be serious as the company would be relieved of its liability and the indebtedness cancelled and a fresh start made with a new policy

We must not however, overlook the fact that a very substantial part of the expense cost of life insurance is the initial cost of procuring the business and this initial cost is not provided for in the first premium but is gradually recouped from subsequent premiums as the policies are renewed from year to year. If through the lapse or surrender of policies or through the replacing of loaned policies with new policies the average period for which policies are renewed is reduced, the average expense cost over the period is going to increase with a consequent increase in premiums or a reduction of dividends.

No review of this sort would be satisfactory unless consideration were given to the effect of present conditions on a life insurance company's earnings. The principal factors affecting those earnings are those old friends of the actuary, the rate of expense, the rate of mortality and the rate of interest including in the latter any profit or loss on investments:

Expense — Since lapses and surrenders result in an increase in expense it follows that the high level at which these have been recently is unquestionably having an unfavorable effect on our expense rate. Other unfavorable factors are the increase in premium taxes, and the increased expense incidental with increased transactions with our policyholders. On the other side of the account is the fact that most Canadian companies have been successful in reducing certain general and overhead expenses with the result that their expense rates are being kept down to very satisfactory levels.

Mortality—It appears that during a period of business depression of the severity of the present one, a company is bound to experience an increase in its mortality rate. This arises not only from suicides, both admitted and suspected, but also from the general strain imposed on policyholders by conditions. Unfortunately this increase occurs among the holders of policies of the larger amounts and its financial effect on the insuring company is even heavier than the increase in the rate of mortality might lead one to expect. The foregoing experience in connection with mortality has been common to all companies and as a result applications for the larger amounts are now being carefully scrutinized.

Interest and Investments—Constituting as they do the largest corporate investors upon this continent, it is inevitable that the life insurance companies have investment problems as a result of prevailing conditions. Defaults in the payment of interest on securities hitherto highly regarded have occurred. Reduction of interest or dividend also has occurred and, in some cases, eventual loss of part of the principal is inevitable. The extent to which a company is thereby affected depends on the extent and nature of the distribution of its invested assets among the various classes of investments.

Within the group consisting of high-grade government and municipal securities there have been few difficulties encountered and the same is true of select public utility bonds. In the groups including industrial and realty bonds and preferred and common stocks the defaults and reductions of interest and dividends become more numerous. In the mortgage field, city mortgages are in a very satisfactory shape but as may be appreciated difficulties are being encountered in the case of mortgaes on farm property.

All life insurance companies are suffering a reduction in their interest income and, to a limited extent, a loss in principal and, consequently, their interest and investment earnings are at a lower figure than ordinarily. In many cases the loss is only a temporary one, being merely a deferring of payment of interest or principal; in a few cases it is a permanent one and a certain proportion of principal has been lost permanently.

In connection with the diminished investment income of the companies there are certain features which must not be lost sight of:

(1) The companies have set aside to a varying degree funds to meet just such contingencies.

(2) Many companies are valuing their liabilities on a higher basis than is required. In the case of our own company we have a margin of two million dollars in this item alone.

(3) Premium rates are calculated on the assumption of interest being earned at a very low rate.

While on the subject of investments may I say a word or two in regard to market values? In ordinary times the market value of any security having a reasonably broad market is usually a fair indication of its real value, having consideration for current rates of interest. In times such as the present, however, such is not the case and many bonds and stocks are quoted at values which are ridiculously low as compared with their real value based on security and earning ability. Recognizing this fact, the Insurance Departments in Canada and the United States at the end of 1931 fixed values at which the companies were authorized to value their securities and, in the case of many companies—a surplus has resulted from valuation on this basis.

Wisdom of Lower Dividends

The combined result of the factors just discussed, i.e. expense, mortality and interest, is that the life companies are at present passing through a period of reduced surplus earnings. During the past ten years there has been a fairly steady increase in earnings and a consequent increase in dividends to policyholders and lowering of net cost. This has now been halted temporarily but I believe I am correct in saying that it has not caused Canadian policyholders any particular concern. They recognize the fact that dividends are unimportant in comparison wit hthe ability of the company to pay to themselves or their beneficiaries the principal amount of the insurance at maturity. By reducing dividends the companies are maintaining their reserves and surpluses at a high standard and thereby warranting a continuance of the confidence reposed in them.

I would like you to consider for a moment how important a place life insurance occupies in the life of the people on this continent and what a steadying influence it is at times like the present. I might quote you the figures of new insurance or insurance in force or premium income all of which are staggering in their size but I shall content myself with quoting you one smaller figure only and that is the payments which the companies in Canada and the United States will make to policyholders and beneficiaries this year.

Three Billions to Policyholders

The figure is conservatively estimated to be three thousand million dollars or if you prefer, three billion dollars. This does not include the amounts loaned to policyholders which would probably increase the figure quoted by one half. The value of this service to the individual and to the community and the two countries at large cannot be overestimated.

In conclusion I would remind you that social, economic and scientific changes are constantly altering the desires and needs of the people. As a result businesses which were old and established and considered basic at the beginning of this century have disappeared or now play a minor part in our social and economic system. Life insurance, which outdates most present-day institutions, continues, however, to perform an increasingly important function and we can, therefore, look forward to its future with confidence.

NOTE—This address was delivered to a group of the company's representatives at Lucerne-in-Quebec, P.Q.

Production Record For Metropolitan Life

In a special five-week production drive ending the first week in July, field forces of Metropolitan Life Insurance Co. in Canada created a new all-time record for the Canadian field by producing $12,248,626 of ordinary paid-for business.

This exceeds by 18 per cent any previous five-week production in the company's history.

The first five districts in the Canadian field were in the order named, as follows: Ste. Hyacinthe, Kitchener, Mount Royal (Montreal), Quebec and Brantford.

COURT QUESTIONS SUCCESSION DUTIES IN PROV. ALBERTA

Duties on Property Outside Province Held Ultra Vires

The Succession Duties Act of Alberta has been declared ultra vires as applied to collection of succession duties on property situated outside of Alberta, according to a majority judgment handed down by the appeal court at Calgary recently.

Mr. Justice Ford wrote a 57 page judgment disagreeing with the decision, holding that the province had the right to set duties on outside property. Mr. Justice Mitchell also dissented, while Justice Clarke, Lunney and McGillivray subscribed to the decision.

The judgment dealt with the action by the Kerr estate against the provincial collector of succession duties, who had assessed the estate for $60,000 duties after the death of I. K. Kerr, retired lumberman, in December, 1929. Mr. Kerr had left an estate valued at approximately $600,000.

About half the property on which succession duties had been charged lay outside the province. The Kerr estate in its action asked two questions. The first was whether or not the province had power to assess duties against property of a person domiciled in Alberta, when the property was situated outside the province.

The second was whether or not the method of collecting succession duties generally in the province was ultra vires, the estate arguing that the act made the executor personally liable, and that such duties should therefore be classed as indirect taxation.

The effect of judgments handed down by Justices Clarke, Lunney and McGillivray was that the act was ultra vires with regard to the province's power to place succession duties on property not in Alberta. In disagreeing, Mr. Justice Ford wrote a 57-page judgment, holding that the province had the right to set duties on outside property.

The court was unanimous in holding that the act was intra vires with regard to the second question, and that the province's method of collecting succession duties on property in Alberta had been correct.

While one section of the act was declared ultra vires, other estates would not be able to benefit, owing to the presence of a new Succession Duties Act, which had been passed at the last session of the legislature, local solicitors stated after reading the judgment. Many estates would have benefitted by the judgment if the act had been attacked sooner, it was stated.

ONT. EQUITABLE PASSES DIVIDEND TO SHAREHOLDERS

Superintendent Praises Management — Underwriting Profitable

Ontario Equitable Life and Accident Insurance Co. have omitted the regular half yearly dividend payable to shareholders on or about August 1. The company, in a letter to shareholders, points out that this precaution is considered wise in view of uncertainty as to what provision will have to be made for depreciated security values. It is pointed out that the company's insurance operations are providing the company with a profit and that every department is being conducted with considerable economies over last year. In the first half of 1932 the company paid 20 cents on each share of 10 per cent paid up stock as compared with 60 cents a share paid during 1931.

The notice says, in part:

"Further, it should be said that our insurance operations are providing us with a profit, but to what extent provision will have to be made for depreciated security values, we will not know until the next five months have become history. Nor do we know the valuation standards which may be generally adopted by the insurance departments under the most unusual economic conditions in many generations.

"In this connection the Superintendent of Insurance for Ontario has expressed to your board the opinion of superintendents in Canada and the United States by saying that until the financial clouds that are still overhanging the market values of securities are cleared away and a reliable recovery takes place, it will be the part of wisdom of boards of directors—especially of younger companies— to conserve their financial position by deferring the declaration of dividends to shareholedrs at this time.

Pleased With Management

"The superintendent's letter continues: 'I am pleased to be able to say that the Ontario department has confidence in your company's management and in the ability of the company to meet its obligations to its policyholders. At the same time, I believe your board will increase the confidence of its policyholders and of the public generally in its present and future position by adopting the conservative course of strengthening its position by omitting the dividend to shareholders that might otherwise have been easily declared at this time, had the financial horizon been clearer.'

"In our business it is hard to secure a half-yearly statement sufficiently accurate to be of real value, but we take this opportunity to advise you that every branch of our activities is being carefully conducted, with considerable economies over last year. The company has a good margin of receipts over disbursements. This enables us to take some advantage of present yields on the best of securities, while slowly but surely improving the character of our investments."

Ottawa Manager

W. H. ARMSTRONG

Appointed agency manager for the Northern Life Assurance Co. at Ottawa. He has been promoted from Montreal office.

ONTARIO FIRE LOSS DOWN 13 PER CENT

But Number of Fires Increase in Six Months Period

Fire loss in Ontario during the first six months of 1932 totalled $6,771,222, according to figures published by the Ontario Fire Marshal. The corresponding figure for the same period in 1931 was $7,672,134. This indicates a decline of 13 per cent in the six months period.

The number of fires increased from 7,548 to 8,237, however, an increase of 689.

Of the total loss in 1932, $5,989,648 was covered by insurance as against a similar coverage a year ago of $6,098,376.

For June alone, Ontario fire loss was $1,081,000, an increase of $435, over the same figure a year ago.

Analyzed by four leading classes of risks, it was found that during the six months period that the largest fire loss was from dwellings, there being 6,349 fires with a total loss of $2,166,800. A year ago, fire loss in stores was the chief cause of destruction in the six months.

Loss by four leading classes of risks for the six months follows:

	1932		1931	
	No.	Loss $	No.	Loss $
Barns	212	515,059	262	619,351
Dwellings .	6,349	2,166,846	5,608	1,706,426
Stores	645	1,842,512	611	1,758,029
Factories ..	162	814,097	200	1,359,553

Quebec License to Lloyds Covers Many Types of Risk

From Our Own Correspondent

MONTREAL.— Official notice contained in the current issue of the Quebec Official Gazette concerning the licensing of the Non-marine Underwriters members of Lloyds, London, Eng., for the transaction of accident insurance, automobile, aviation, larency, house-breaking, burglary, flooding, explosion, fire, forgery, guarantee, hail, inland transportation, livestock, plate glass, sprinkler leakage, boiler, tornado, weather and any other class of insurance not specially provided for in the Quebec Insurance Act, except life insurance. The term of the license begins on June 28, 1932, and ends on June 30, 1933.

Current Events in Banking World

More Pressing Business May Force Postponement Of Bank Act Revision

Agreement on Empire Bank Would be Delaying Factor

MANY SUGGESTIONS

Western Interests Cry Loudly for Relief from Interest Rates Which They Claim Are Excessive

By Staff Editor

OTTAWA.—There is no official foundation for belief that the decennial revision of the Bank Act, which is due in 1933, may be delayed for a year, The Financial Post learns. Such a postponement is quite within the realms of possibility but so far nothing official has been discussed here it is learned. Precedent for postponement has already been created, however, as in 1912, when major attention in Canada was being given to the question of Canadian contributions to the support of the British navy, the revision was postponed until 1913.

Current considerations suggested as possible reasons for the postponement this year are more directly related to Canadian banking practice and revolve largely around two factors of Imperial rather than purely Canadian significance.

In the first place, any agreement reached at the Imperial Conference upon the question of establishing an Empire currency would naturally affect our banks and banking practice and any changes in the Bank Act made before any such Empire currency system took effect would soon become obsolete. In addition, the trend toward lower rates of interest on securities, as evidenced by the current British conversion loan, may have its effect in Canada in the lowering of bank interest notes and therefore silence to a great extent, the Western interests who are calling for revision along these lines.

Banks Seem Unconcerned

General opinion is that the banks would rather welcome a postponement which would enable the act to be considered when conditions were at least showing definite signs of improvement but one prominent banker interviewed by The Financial Post stated that he doubted whether this was the case. He said that so many proposals for reform had been brought forward that they were in danger of nullifying one another.

The multiplicity of the suggestions which have emanated from official and unofficial groups and individuals throughout the country, and particularly from the farming groups of Western Canada, has indeed been staggering, but throughout them all there are many points in common.

First of all, there does not appear to be any particular objection to the service rendered by the banks to depositors, with the exception that one or two critics have attacked the banks for withdrawing their branches from districts in which the banks had apparently found themselves unable to operate profitably, but these attacks have necessarily been spasmodic and secondary.

Borrowers Raise Objections

It is therefore prospective and present borrowers who are clamoring loudest for some change in our banking system.

Their chief objections can be widely classed under two heads, viz.: the refusal of the banks to loan money and the excessive interest charged on any money loaned.

In considering the first objection it is found that the unit banking system is often held up as a paragon of what banking ought to be as far as the interest of the community is concerned. It is pointed out that our neighbors to the south owe an immense part of their progress and prosperity to the fact that their small community banks had, and have, the interest of their own individual district at heart and therefore are more willing to finance business and farming in their district than the branches of our Canadian institutions. Without entering into any argument regarding the unit banking system, it would seem that the current banking debâcle in the United States is ample proof of the many pitfalls which harass any bank which rises and falls on the prosperity or otherwise of one small district.

No Loans on Real Estate

Many of the loans made by unit banks in the United States, particularly in the farming districts, are made directly against real estate. These large non-liquid holdings of real estate have been more than a subsidiary cause of failure in many instances and a direct cause, to take only one instance, banks in Chicago. Independent observers, both in the United States and in other parts of the world, have gone on record as saying that one of the strongest points in Canada's banking system is the legislation which prohibits banks from accepting real estate as collateral security and therefore forces them to maintain a much more liquid position than would otherwise be the case.

With real estate as a security wiped out by legislation and in bad repute by example, the great majority of bank loans are made against trade goods and growing crops, real estate in some cases being accepted as secondary security. To guard against forced liquidation, banks are necessarily forced to obtain security having a market value of considerably more than the amount of the loan and this seems only fair to the depositors whose money is at stake.

Study of proposals put forward by governments, public and private bodies and individuals, fails to reveal any constructive criticism of this system. Mainly, it seems, the only alternative put forward is that banks ought to loan against less security and take their chance, along with any other creditors, in getting their loan repaid.

Murmurings of discontent always rise when business conditions become bad and the radical is afforded a hearing that would not be his were everything moving along smoothly. While many suggestions which have received wide publicity throughout the country can be safely placed in this class, there is no doubt that when the revision does come up, whether it be 1933 or 1934, the Select Committee will have brought to their notice the results of considerable study on this all-important problem.

Latest U.S. Innovation Is Bank on Wheels

A few small communities in Western Canada have recently been complaining because their banking facilities had been withdrawn. This state of affairs also exists in the United States, where many banks in small communities have failed.

However, in Ohio, the city banks are starting to go after this truly rural business by the introduction of banks on wheels. The equipment consists of a complete bank on an automobile body, with an armored car for protection, which spends an hour or two in a number of small towns. Complete banking facilities are available to depositors, from cheque cashing to making loans.

Bank Chat

S. R. NOBLE, assistant general manager of the Royal Bank of Canada has been elected a member of the executive committee of the Canadian Political Science Association, replacing the late C. E. Neill.

Claim Damages

Claiming $25,000 damages for alleged libel, slander and misrepresentation, W. E. Fitzgerald and William Fitzgerald, of Watford, have started a civil action in London, Ont., against the Bank of Montreal and J. G. Montgomery, of Watford.

A writ in connection with the suit has been filed in the local Supreme Court offices. However, no statement of claim has been entered yet.

W. E. Fitzgerald is a lawyer and is acting as his own counsel in the case.

Canadian Bank of Commerce announces the following staff changes:

A. SOHIER, formerly manager at Walton, Ont., has been appointed manager at Bayfield, Ont.

R. J. COWAN, formerly assistant inspector at Winnipeg, has been appointed special representative at New York.

A. W. Gill, formerly manager at Coaldale, Alta., has been appointed manager at Stavely, Alta.

New Investment Firm Formed in Montreal

From Our Own Correspondent

MONTREAL.—A new bond house, Wright, Henderson and Macdonnell, has been formed in Montreal. The three partners of the firm are A. W. Wright, formerly with Nesbitt, Thomson and Co.; G. P. Henderson, formerly of W. C. Pitfield and Co., and J. A. Macdonnell, formerly connected with Flood, Barnes and Co. and Hemphill Noyes and Co.

New Plant in Winnipeg

Another shoe factory has been established in Winnipeg. The Mid-West Shoe Company, with a capacity of 150 pairs a day, recently opened its plant for the manufacture of men's and children's shoes and slippers.

Monthly Bank Clearings

Eastern Cities

	July, 1931	July, 1932
Halifax	$ 13,192,099	$ 10,041,519
Saint John	9,149,389	6,928,000
Moncton	3,255,481	2,834,137
Sherbrooke	3,111,706	2,455,318
Quebec	30,874,230	18,235,905
Ottawa	26,103,089	16,910,799
Montreal	431,863,753	336,817,664
Kingston	3,225,472	2,735,654
Peterboro'	3,386,528	2,704,560
Toronto	392,277,146	357,637,032
Hamilton	21,125,899	15,828,950
Kitchener	4,224,671	3,751,937
Brantford	4,250,693	3,508,820
London	12,114,195	11,052,109
Chatham	2,087,340	1,600,824
Windsor	13,458,571	10,249,291
Sarnia	1,920,949	1,862,808
Sudbury	3,329,077	1,977,455

Western Cities

	July, 1931	July, 1932
Fort William	$ 3,204,382	$ 2,719,578
Winnipeg	137,009,312	176,510,470
Brandon	1,768,813	1,594,666
Regina	13,754,523	11,840,718
Prince Albert ...	1,593,895	1,138,855
Edmonton	19,278,846	15,708,391
Calgary	28,054,780	17,191,902
Medicine Hat	1,046,639	766,358
Lethbridge	1,806,205	1,341,046
New Westminster	2,610,337	1,999,399
Vancouver	72,175,003	52,480,283
Victoria	8,827,843	6,183,378

Weekly Bank Clearings

Eastern Cities

	July 30, 1931	July 28, 1932
Halifax	$ 2,353,453	$ 1,849,364
Saint John	1,686,259	1,321,008
Moncton	650,612	718,872
Sherbrooke	591,053	472,567
Quebec	5,589,319	3,109,594
Ottawa	4,413,009	3,380,210
Montreal	82,297,169	65,796,404
Kingston	807,359	....
Peterboro'	600,603	491,991
Toronto	77,057,404	70,776,326
Hamilton	3,865,492	3,049,530
Kitchener	807,600	790,224
Brantford	728,660	617,700
London	2,328,364	2,271,184
Chatham	356,840	304,028
Windsor	2,241,930	2,288,099
Sarnia	295,339	346,130
Sudbury	719,058	....

Western Cities

	July 30, 1931	July 28, 1932
Fort William	$ 513,473	$ 640,664
Winnipeg	41,712,667	40,672,877
Brandon	355,879	310,926
Regina	2,511,652	2,345,542
Moose Jaw	504,229	422,371
Saskatoon	1,469,311	1,169,007
Prince Albert ...	362,793	229,568
Edmonton	3,580,396	3,353,531
Calgary	4,232,044	3,352,714
Medicine Hat	351,941	145,037
Lethbridge	363,324	258,999
New Westminster	527,386	428,880
Vancouver	15,288,181	11,519,999
Victoria	1,833,251	1,187,853

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The yearly income on your retirement for which you are arranging must be absolutely assured. For then your productive earnings will have ceased and your health may be impaired.

Two vital factors to keep in mind:

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Second. Your income, once begun, must last at least as long as you live.

Life insurance avoids risks by wise, selective, and widely diversified investment. If you die before pension age, your deposit will be returned; if you die before receiving income payments equal to the deposit, the difference will be returned.

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SUN LIFE ASSURANCE COMPANY OF CANADA
HEAD OFFICE-MONTREAL

Insurance Problems

Insurance questions of general interest submitted by subscribers of The Financial Post will be answered in this column. Other enquiries will be answered by mail. A three-cent stamp should be enclosed to cover a direct reply.

Great West Life

I am the beneficiary of an insurance policy in the Great West Life for approximately $4,000, and have left the money on deposit with the company. The guaranteed rate is 3 per cent but as predicted by their agent I have so far received 5 per cent payable semi-annually.

In view of general conditions I am worried over these funds and would like advice as to whether it is safe to leave them on deposit with this company. Should I withdraw them and invest in government bonds?

We do not believe you need be concerned about the money you have left on deposit with the Great West Life.

This company is one of the foremost Canadian life insurance institutions, is well managed, and operates under the close supervision of the Federal Insurance Department. Although its head office is in Winnipeg, both its business and its investments are well diversified throughout Canada, and it can be considered an entirely safe depository for your funds.

The World Marine & General Insurance Co. received a certificate of registry on July 5 for the transaction of insurance against loss or damage to personal property in Canada, in addition to the classes for which it is already registered.

Sun Life Assurance Sues London Publication

Sun Life Assurance Co. has issued a writ alleging libel against a British publication, "The City Midweek." The paper published an attack on the company which is said to have been founded on quotations from a Toronto financial paper.

The writ was issued within a few hours of the publication of the article which was dated July 6. The companys officials are reported to welcome the opportunity of bringing such an action into the English courts to bring to an end current gossip as to its soundness.

Northern Assurance Co. received a certificate of registry on June 29, for the transaction of insurance against loss or damage to personal property in Canada, in addition to the classes for which it is already registered.

THE
Western Empire
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Branch Offices:
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A. J. Pattison, Jr. & Co. LIMITED
INVESTMENT BANKERS
Dealers in Unlisted Bonds and Shares
Royal Bank Bldg. (Third Floor) Toronto, 2 Elgin 5101 10 Lines

Salmon Catch Low at Coast Future Hopeful

From Our Own Correspondent

VANCOUVER.—Tie-up of the fishing fleet in northern British Columbia waters due to a strike among fishermen until recently has resulted in a reduction of the salmon catch, but cessation of these operations is expected to have an important effect from a conservation standpoint.

While the inactivity will probably result in reduced pack this year, the effect on the catch in future years may be extremely beneficial, according to fisheries experts. If the decline in production was inevitable, the packers are probably satisfied that it came this year, when prices were generally low.

Lowest in Four Years

The sockeye pack at July 23 was 127,622 cases as compared with 175,085 for the similar period in 1931. This is the lowest figure for sockeye in the last four years. Fraser sockeye pack has been fairly well maintained, only the northern fisheries being seriously affected by the strike.

The pack of springs has been far ahead of other recent seasons, with a total of 41,278 cases for the period under review as compared with 13,945 cases last year.

RUMOR B.C. VOTE WITH TOLMIE OUT

New Economic Policy Likely to Follow Kidd Report on Public Finance

From Our Own Correspondent

VANCOUVER. — An early election in British Columbia to give effect to a new economic policy that will end the long series of deficits is expected in well-informed political circles, and representatives of both parties are preparing for the campaign.

Much will depend on the recommendations contained in the much publicized Kidd report, but it seems a fairly safe speculation at this time that the Tolmie government will call a session of the legislature earlier than the customary date with a view to considering the policies outlined in this document. It is probable that the government will propose, in line with the Kidd recommendations, a substantially reduced legislature and drastic reductions in expenditure.

One of the most interesting features of the situation is the possibility of a change in leadership of the Conservative party. The government is not united on the proposal for coalition and this disagreement may lead to a definite split. In order to bring the two factions together another leader may be found necessary. There has been a good deal of criticism of Premier S. F. Tolmie's administration, particularly in its handling of the unemployment situation and its handling of the financial problems of the province. An influential wing of the Conservative party has been urging W. J. Bowser to come out of retirement and accept nomination as the head of a coalition government.

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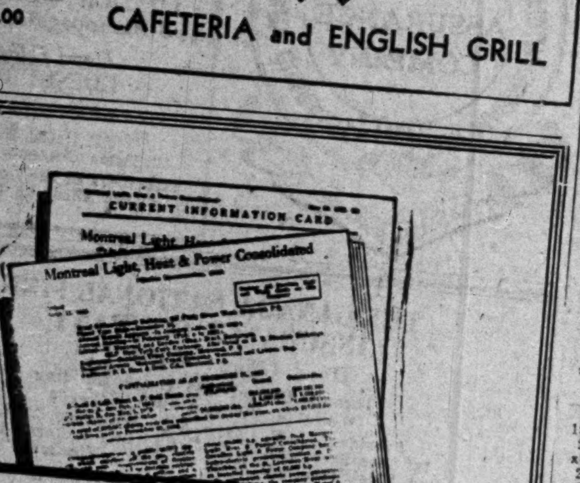
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WEEK'S CANADIAN STOCK AND BOND QUOTATIONS

Montreal, Toronto & Curb Markets

WEEK ENDING AUGUST 1

Range 1932 High	Low	Divd. Rate in $	Yield in % July 30		Sales	Close July 25 (or last)	Week Ending —Aug. 1— High	Low	Close
3.25	.60	.	...	Abitibi	1090	1.00	1.12	.75	1.12
10	2	.	...	Do. pref.	140	3¾	3¾	3	3¾
x105	80	.	...	Do. pref.	....	..	..	..	..
80	80	7	...	Acme F. D'y. p	....	80	..	..	..
5	4½	.	...	Agnew Surp.	....	5	..	..	..
70	70	7	10	Do. pref.	....	70	..	..	..
7	3½	.	...	Alta. Pac. Gr.	120	3¼	7	7	7
30	19	.	...	Do. pref.	25	23	30	30	30
3½	1½	.	...	Amal. Electric	....	1½	..	..	..
11	9	.	...	Do. pref.	....	9	..	..	..
x3½	2½	.	...	Anglo. N. Hold.	....	..	..	..	..
.37	.15	.	...	Asbestos	....	.15	..	..	..
1.00	.60	.	...	Do. pref.	....	.60	..	..	..
6	4	60c	11.4	Assoc. Brew.	95	4½	5¼	5¼	5¼
70	65	7	10.1	Do. pref.	....	69	..	..	..
3	3	.	...	Assoc. Can.	....	3	..	..	..
x69	65	.	...	Assoc. Tele.	....	..	..	..	..
30	16	.	...	Atlan. Sugar	....	20¾	..	..	..
120	92	.	...	Do. pref.	....	120	..	..	..
159½	127	10	7.8	Bk. Can. Nat.	70	127	128	127	128

Range 1932 High	Low	Divd. Rate in $	Yield in % July 30		Sales	Close July 25 (or last)	Week Ending —Aug. 1— High	Low	Close
				Viau Biscuit	5	7	5	5	5
75	60	7	11.7	Do. pref.	....	60	..	..	..
12	4	.	...	Wabasso Cot.	70	4	7	6½	7
5¾	2½	.	...	Walker-Good.	8974	4½	4¾	4¼	4½
12	9	1	10.7	Do. pref.	1907	9⅜	9½	9⅜	9⅜
3¼	1	.	...	Waterloo Mfg.	75	2	2	2	2
80	75	7	...	W. Koot. Pr. p	....	80	..	..	..
8	5½	.	...	West. C. Flour	....	5½	..	..	..
60	60	6.50	10.8	Do. pref.	....	60	..	..	..
11	10	.	...	West. Grocers	....	11	..	..	..
54	43	7	15.5	Do. pref.	....	45	..	..	..
x91	85	.	...	W. Steel Pr. p	....	..	..	..	..
18½	16½	1	5.9	Weston Bisc.	....	16½	..	..	..
70	65	7	10.4	Do. pref.	....	67	..	..	..
10	10	.	...	Windsor Hotel	....	10	..	..	..
38	20	3.25	...	Do. pref.	....	20	..	..	..
8	2	.	...	Winnipeg Elec.	365	3¼	3½	2⅞	3⅛
15	14	.	...	Do. pref.	....	15	..	..	..
x46	36	.	...	Woods Mfg. p.	....	..	..	..	..

x Quotations for 1931. No sales recorded in 1932 to date.
b New York Quotations.
‡ Quotations for 1930.
† Plus 30c. extra paid Jan. 2, 1932.
§ 2% stock dividend payable Sept. 1; 2% paid June 1; 25c cash paid Mar. 1, 1932.
* Minimum price is set, below which trading is not permitted for time being; Price Bros. com. 25; pref. 70.

Note re Unlisted Securities

Although The Financial Post strives to obtain the closest quotations possible on the unlisted stocks and bonds in the various tables on this page and the adjoining page, the quotations are not guaranteed and no responsibility is assumed in connection with them. In inactive markets, many quotations can be little more than nominal but it is felt that even a nominal quotation giving an idea of approximate price is better than none at all.

Winnipeg Stock Exchange

July 28, 1932

	Bid	Ask
Beaver Fire	..	115
Beaver Lumb. pfd.	..	80
Can. Amer. Tr. shs.	..	2⅝
City Dairy (Wpg.) pref. 7%	..	
Do., pref. 8%	..	50
Corp. Steel c.	..	80
Cres.-Cream. pfd.	..	5
Home Inv. & Sav.	20	56

	Bid	Ask
N. Can. Mtge. pfd.	..	15
North. Trust	..	24
Un. Gr. Growers	10⅝	..
Traders' Bldg.	75	..
West. Breweries	1	2
Fund. Tr. shs. "A"	..	2¼
Do. "B"	..	2¾
Grouped Inc. Shs.	..	2.98

Active Unlisted Bonds

(Furnished by A. J. Pattison, Jr. & Co., Limited)
Investment Bankers, Toronto
August 2 1932

Industrial Bonds:	Bid	Asked
Abitibi P. & P. 5% 1953	18.25	21.75
Acadia Sugar 6% 1946	72.00	75.00
Alta. Pac. Grain 6% 1946	72.00	....
B. A. Oil 5% 1945	85.00	88.50
Canada Biscuit 6½% 1946	20.00	25.00
Canada Bread 6% 1941	84.50	87.00
Canada Cement 5½% 1947	86.00	....
Can. Machinery 6% 1941	52.00	....
Can. Steamship 6% 1941	28.00	32.00
Can. Copper Refin. 6% 1945	90.00	....
Can. Cottons 5% 1940	84.00	89.00
Can. Vickers 6% 1947	64.00	69.00
Debenture & Sec. 4% 1936	35.00	45.00
Dom. Manufacturers 6% 1933	95.00	....
Dom. Tar & Chemical 6% 1949	65.00	....
Dom. Telegraph 5½% 1978 "A"	81.00	86.00
Famous Players 6% 1948	60.00	66.00
Famous Players 6½% 1948	50.00	55.00
Federal Grain 6% 1949	72.00	....
Firestone Tire 7% 1937	110.00	....
Goodyear Cotton 6% 1949	86.00	92.00
Great Lakes Paper 6% 1950	15.00	17.50
Gypsum, Lime & Alab. 5½% 1948	50.00	60.00
Howard Smith 5½% 1953	55.00	....
Loew's Toronto 6% (Serial)	95.00	100.00
Maple Leaf Milling 5½% 1949	56.00	61.00
Massey Harris 5% 1947	61.00	....
McColl Frontenac 6% 1949	82.00	87.00
McKinnon Industries 6½% 1945	94.00	97.00
Metropolitan Bldg. 7% 1944	79.00	85.00
Montreal Drydock 6% 1948	45.00	55.00
Nor. Mexico Power 7% 1933	78.00	....
Ont. Steel Products 6% 1943	88.00	91.00
Richmond Bay 6½% 1947	58.00	65.00
Rolland Paper 5½% 1948	57.00	....
Rowntree Co. Ltd. 6% 1937	94.00	100.00
Simpsons Ltd., 6% 1949	57.00	60.00
Standard Clay Prod. 6% 1942	70.00	78.00
Steel of Canada 6% 1940	100.00	104.00
United Grain Growers 5/48	72.00	....
Western Grain 6% 1949	69.00	....
Public Utility Bonds:		
Bell Telephone 5% 1955	103.00	106.25
B. C. Power 5% 1960	82.50	86.50
B. C. Power 5½% 1960	89.00	....
B. C. Telephone 5% 1960	90.00	95.00
Calgary Power 5% 1960	84.00	....
Can. Northern Pwr. 5% 1953	73.00	77.00
Cedar Rapids 5% 1953	98.00	....
Duke Price Power 6% 1966	64.00	....
French Natl. Mail SS 6/52	115.00	120.00
Gatineau Pwr. 5% 1956	76.00	79.00
Gatineau Pwr. 6% 1941 Apr. 1	65.00	69.00
Inter. Power 6½% 1957	40.00	46.00
MacLaren Quebec 5½% 1961	74.90	79.00
Montreal Isl. Pwr. 5½% 1957	91.00	....
Montreal LH&P 5% 1951	101.00	104.50
Montreal Tram. 5% 1941 July	94.00	99.00
Montreal Tram. 5% 1955	78.00	....
Ont. Pwr. Service 5½% 1950	62.00	65.00
Ottawa Valley Pwr. 5½% 1970	92.00	....
Rio Tramways 5% 1935	82.00	86.00
Shawinigan W&P 4½% 1970	72.00	76.50
Southern Can. Pwr. 5% 1955	85.00	95.00
West Kootenay Pwr. 5% 1956	81.00	87.00
Western Power 5% 1949	91.00	96.00
Government Provincial & Railway		
C.N.R. 4½% 1951 Dom. Gtd.	94.00	95.50
C.N.R. 4½% 1957 Dom. Gtd.	93.25	94.75
C.N.R. 6½% 1946 Dom. Gtd.	112.50	115.00
Dom. of Can. 5% 1941	99.75	101.00
G.T.P. 3% 1962 Dom. Gtd.	72.00	....
Ont. Hydro 4% 1957 Ont. Gtd.	82.50	....
Prov. of N. B. 5½% 1950	98.00	100.00
Prov. of Ontario 4½% 1944	95.00	....
Prov. of Ontario 5% 1948	97.50	100.00
Prov. of Ontario 5½% 1947	101.25	....

Listed Bond Quotations

Week Ending August 1

Montreal	Int. Rate	Due	Yield	Latest Bid	High	Low	Range, 1932 High	Low
Abitibi, 1st mtge	5	1953	...	18½	...	...	46	19½
Asbestos	5	1942	...	...	...	...	65½	49
Do., 1st mtge.	6	1941	...	...	...	...	*20	14
Do., gen. mtge.	6	1956	...	...	...	...	*9	...
Can. Cons. Rub.	6	1946	...	...	...	...	*69¾	...
Can. Cottons	5	1940	...	...	...	...	*91	90
Can. Forgings	6	1942	...	...	...	...	*100	...
Can. Locomotive	6	1951	...	...	...	...	‡96	...
Can. Pr. (Laur.)	5½	1958	...	...	...	...	7	5
Do. (Way. Ser.)	5½	1958	...	†6½	...	...	*28½	5½
Can. S. S. debs.	5	1943	...	...	...	...	‡98½	...
Cedars Rapids	5	1953	5.23	†100	...	...	100	95
Dom. Canners	6	1940	...	...	...	...	‡103	...
Dominion Coal	5	1940	...	†98½	...	...	*98½	95
McNish	6	1948	...	1.25	...	...	1.25	...
Mex. L & Pr.	5	1940	...	42	...	...	*73½	70½
Mont. L.H.&P. deb.	3	1939	...	39½	40⅝	38½	40¾	35
Mont. Tr. 1st mtge.	5	1941	5.84	...	...	...	94½	91
Mont. Trams. "A"	5	1955	6.82	79½	79	...	80¾	69½
Do. G. & Ref. "B"	5	1955	7.45	79½	...	...	79¾	78½
Do., "C"	4½	1955	...	...	...	...	*85	84
Do., "D"	5	1955	6.62	79½	...	...	81	78
N. S. Steel	5	1959	...	...	...	...	*62⅞	59
Ontario Steel	6	1943	5.94	90	...	...	100½	...
Porto R. Pr.	5	1986	...	...	...	...	*93	88
Steel of Canada	6	1940	5.90	100⅝	...	...	102⅛	100½
Wayagamack	6	1951	...	†41	...	...	*75	45
Winnipeg Elec.	5	1935	...	85	...	...	*99½	98¾
Toronto								
Canada Bread	6	1941	...	...	...	...	*101½	100
Steel of Canada	6	1940	5.60	...	...	...	102½	...
Dominion Govt. Bonds (Montreal)								
War Loan	5	1937	2.50	...	...	...	107.00	105.00
Victory Loan	5½	1933	4.20	101.50	101.55	....	101.55	100.25
Do.	5½	1934	4.65	101.50	101.60	....	101.60	99.25
Do.	5½	1937	3.77	108.50	....	....	108.15	104.00
Do., refund	4½	1940	4.93	96.65	....	....	94.60	91.50
Do., refund	5	1943	5.03	99.75	99.75	....	99.75	95.38
Do., refund	4½	1944	4.99	95.25	....	....	92.25	89.50
Do., refund	4½	1946	4.96	95.37	....	....	92.25	91.50
Conversion Loan	4½	1956	5.11	94.00	....	....	91.50	88.25
Do.	4½	1957	5.37	94.00	....	....	90.50	88.00
Do.	4½	1958	4.98	95.50	....	....	93.00	88.50
Do.	4½	1959	4.81	95.75	95.25	....	92.25	89.00
Nat. Service Loan	5	1936	4.86	100.15	100.50	95.00	98.50	96.25
Do.	5	1941	5.00	100.00	100.00	97.75	98.25	95.00

†Latest ask.
‡Quotations for 1930. *For 1931. None recorded in 1932 to date.

Active Provincial and Municipal Bonds

Quotations furnished by A. E. Ames & Co. Limited
Canada Permanent Bldg., Toronto, Ontario
August 2 1932

Provinces:	Rate	Actual Maturity	Next Int. Date	Approx. Price	Approx. Yield %
*Newfoundland	5	31 Dec., 1952	31 Dec.	71.50	780.00
*Newfoundland	5½	1 July, 1939	1 Jan.	78.00	995.00
*Newfoundland	6½	30 June, 1936	30 Dec.	80.50	12.90
*Alberta	4½	1 Oct., 1958	1 Oct.	85.00	5.60
Alberta	5	1 July, 1943	1 Jan.	92.00	6.00
Alberta	6	1 Mar., 1947	1 Sept.	99.00	6.10
*British Columbia	4½	1 Oct., 1953	1 Oct.	84.70	5.75
*British Columbia	5	15 Jan., 1948	15 Jan.	92.40	5.75
British Columbia	6	15 Feb., 1947	15 Aug.	100.50	5.95
Manitoba	4	1 July, 1947	1 Jan.	77.50	6.35
*Manitoba	5	2 Dec., 1959	2 Dec.	93.00	5.50
Manitoba	6	1 Apr., 1941	1 Oct.	99.00	6.10
*New Brunswick	4	1 June, 1948	1 Dec.	89.05	5.00
*New Brunswick	4½	15 June, 1936	15 Dec.	99.10	5.00
New Brunswick	5½	1 May, 1950	1 Nov.	100.00	5.50
*Nova Scotia	4½	15 Nov., 1948	15 Nov.	94.45	5.00
Nova Scotia	5	1 May, 1943	1 Nov.	98.35	5.40
*Ontario	4½	1 Sep., 1944	1 Sept.	97.50	4.75
Ontario	5	15 Oct., 1948	15 Oct.	99.00	5.10
Ontario	5½	1 Feb., 1947	1 Feb.	102.25	5.28
P. E. I.	4	1 Apr., 1939	1 Oct.	90.05	5.75
P. E. I.	6	1 May, 1947	1 Nov.	102.50	5.75
*Quebec	4½	1 May, 1961	1 Nov.	95.00	4.55
Saskatchewan	4½	1 Oct., 1944	1 Oct.	85.00	6.25
Saskatchewan	5	1 Oct., 1950	1 Oct.	89.00	6.00
Saskatchewan	6	15 Mar., 1952	15 Sept.	98.00	6.17
Cities					
*Montreal	5	1 Sep., 1963	1 Sept.	100.00	5.00
*Toronto	4½	1 Jan., 1955	1 Dec.	98.30	5.00
*Vancouver	5	15 Jan., 1970	15 July	85.15	6.00
Winnipeg	5	1 Mar., 1944	1 Sept.	88.80	6.35
*Edmonton	5½	1 Apr., 1947	1 Oct.	88.35	6.75
Calgary	5	1 Jan., 1948	1 Jan.	85.30	7.00
Halifax	6	1 July, 1951	1 Jan.	102.80	5.75
Saint John	5	15 Dec., 1950	15 Dec.	91.50	5.75
Regina	4½	1 July, 1950	1 Jan.	74.65	7.00
Victoria	5	21 July, 1945	21 Jan.	86.95	6.50
Quebec	5	1 June, 1948	1 Dec.	96.80	5.30

*New York payment.

Foreign Exchange

	New York Funds High (Premium) %	Low %	Last Year High (Premium) %	Low %
July 27	14 9-16	14 1-2	1	11-32
July 28	15 1-16	14 1-2	11-32	1-4
July 29	15 7-16	15 1-8	9-32	17-64
July 30	14 3-4	14 3-4	19-64	17-64
August 1	......	......	.....	.....
August 2	15	14 3-4	17-64	15-64

STERLING, FRANCS AND LIRE

(Close Demand in New York)

	Sterling	Francs	Lire
July 27	3.53 3-4	3.91 9-16	5.09 1-4
July 28	3.51	3.91 1-8	5.08 7-8
July 29	3.49 5-8	3.91 1-16	5.08 1-8
July 30	3.50 1-2	3.91 9-16	5.08 3-4
August 1	3.50 7-8	3.91 1-2	5.09
August 2	3.51 1-4	3.91 1-2	5.09 1-2

FOREIGN EXCHANGE

(Close Demand in Toronto)

Par		July 19	July 26	Aug. 2
5.26	Italian	5.90½	5.83¾	5.86
23.80	German	27.45	27.16	27.34½
13.90	Belgian	16.02½	15.84	15.93
49.80	Japanese	32.23	31.88	31.62

Unlisted Canadian Stocks

(Furnished by A. J. Pattison, Jr. & Co., Limited)
Investment Bankers—Toronto
August 2, 1932

Industrial Stocks:	Bid	Asked
Acadia Sugar c.	55	.80
Do., pfd.	2.85	2.90
Acme Farmers Dairy pfd.	60.00	66.00
Agnew Surp. pfd.	55.00	59.00
Allens Lond. pfd.	29.00	....
Do., Toronto pf.	18.50	....
Andian Nat. Corp.	20.75	23.50
Can. & Dom. Sugar com.	15.50	16.50
Can. Machinery c.	2.50	4.80
Do., 7% pfd.	19.00	25.00
Can. Packers c.	7.75	8.50
Do., 7% pfd.	49.00	....
Can. Starch pfd.	63.00	68.00
Can. Tea. pfd.	....	55.00
Can. Wire & Cable pfd. W.W.	70.00	71.75
Can. Industries c. "A"	55.00	60.00
Do., c. "B"	50.00	55.00
Do., 7% pfd.	98.00	99.00
Can. Westing.	36.00	40.00
Chase, A. W. Units	27.75	28.75
Claude Neon Gen. Adv. com.	1.50	3.00
Claude Neon Gen. Adv. Units	22.50	25.00
Crescent Creameries pfd.	55.00	60.00
Dodge Mfg. "B" com.	1.00	....
Dodge Mfg. "A" pfd.	5.00	....
Dom. Foundries & Steel com.	5.00	6.00
Dom. Foundries & Steel pfd.	69.00	....
Dom. Mfrs. pfd.	65.00	70.00
Dunlop Tire 7% pfd	38.00	39.00
Eastern Car 6% pfd.	33.00	....
Eastern Dairies Ltd. pfd.	60.00	63.75
Federal Grain pf.	22.00	24.00
Goderich Elevator & Transit	10.50	11.50
Greening Wire 7% pfd.	65.00	75.00
Guard. Realty pf.	13.00	22.00
Guelph Carpet pfd. bonus com.	69.50	74.00
Inter City Bak. c.	39.50	42.50
Inter. Proprietaries "A"	23.00	26.00
Langleys pfd.	....	43.00
Loew's London c.	.50	1.00
Do. pfd.	2.30	2.80
Massey Harris pf.	13.75	15.00
Morrow Screw Nut 7% pfd.	90.00	97.00
Mt. Royal Hotel c.	.50	1.10
Do., 6% pfd.	5.00	7.75
Nat. Grocers c.	1.25	2.25
Do., 2nd pfd.	27.00	30.00
Price Bros. c.	4.00	....
Prov. Paper pfd.	30.00	38.00
Reliance Grain pf.	48.00	52.00
Rolland Paper pfd. W.W.	20.00	28.00
Standard Clay Products c.	20.00	26.00
Standard Fuel pfd. bonus	50.50	52.50
Supertest Petroleum "B" pfd.	15.00	20.00
Toronto Brick pf.	....	35.00
Toronto Carpet c.	....	93.00
Do., 8% pfd.	75.00	90.00
Toronto Elevators 7% pfd.	66.00	70.00
Toronto Hous. c.	20.00	30.00
Un. Amuse. "A"	15.00	18.00
Western Grain pfd. bonus c.	15.00	18.00
Willards Choc. pf.	....	21.00

Insurance Stocks:	Bid	Asked
Can. Life Assur.	....	390.00
Canada Nat. Fire	12.50	13.50
Canda Fire Ins.	66.50	74.00
Capital Life 20% pd.	10.00	16.00
Confederation Life 20% pd.	130.00	142.00

Insurance Stocks:	Bid	Asked
Continental Life 20% pd.	44.00	55.00
Crown Life Ins.	75.00	....
Dominion Fire	84.00	95.00
Dominion Life 50% pd.	250.00	285.00
Dom. of Can. Gen. Ins.	....	142.00
Empire Life 15% pd.	6.50	9.50
Excelsior Life 30% pd.	70.00	79.00
Fidelity Ins. of Canada	....	75.00
Gt. West Life	220.00	245.00
Guarantee Co. of N. A.	210.00	270.00
Halifax Fire	8.25	9.50
Imperial Life	....	290.00
Manufac. Life	....	245.00
Monarch Life 10% pd.	18.00	20.00
National Life 25% pd.	71.00	80.00
Saskatchewan Life 10% pd.	....	15.00
Sovereign Life 25% pd.	15.00	20.00
Sun Life Assur.	310.00	325.00
Western Assur c.	14.00	17.00
Western Life 20% pd.	8.00	12.00
Trust & Loan Stocks:		
Br. Mtg. & Trust	145.00	155.00
Can. Gen. Investments Ltd.	2.50	3.10
Chartered Trust	62.00	70.00
Debent. & Sec. pf.	....	36.00
Eastern Can. Sav. & Loan	102.00	110.00
Eastern Trust	115.00	140.00
Guelph & Ont. Inv. par $50	44.00	51.00
Investment Foundation Units	14.00	19.00
Lambton Loan & Savings	55.00	[illegible]
London & Western Trust	83.50	90.00
Mtg. Disc. pfd.	2.00	3.00
Mutual Fin. pfd.	....	[illegible]
Do., com.	....	[illegible]
Northern Trust	....	[illegible]
Premier Trust	82.00	[illegible]
Provincial Bank	90.00	[illegible]
Security Loan & Savings	95.00	99.00
Sherbrooke Trust	90.50	100.00
Sterling Trust	59.00	65.00
Traders Fin. c.	....	1.00
Do., pfd.	10.50	19.50
Trusts & Guar.	40.00	45.00
Victoria Trust & Savings	170.00	——
Waterloo Trust & Savings	100.00	112.00
Power Issues:		
B.C. Elect. Pwr. & Gas pfd.	87.00	91.00
Calgary Pwr. pfd.	63.00	[illegible]
Can. Light & Pwr. com.	12.00	[illegible]
Can. West. Nat. Gas LH&P c.	18.00	[illegible]
Can. West. Nat. Gas LH&P pfd.	66.00	[illegible]
Great Lakes Pwr. pfd.	——	[illegible]
Marit. Tel. & Tel. pfd.	10.00	11.00
Do., com.	9.00	[illegible]
N.B. Pwr. 1st pfd.	....	[illegible]
N.B. Telephone c.	6.00	[illegible]
N.S. L&P pfd.	40.00	[illegible]
Ottawa LH&P pf.	78.00	——

Recent London Quotations:
Brewer Distillers [illegible]
Can. & For. Sec. [illegible]
Can. West. Lumber [illegible]
Hudson's Bay [illegible]
Do., 5% [illegible]
Internat. Holdings [illegible]
Nld. Pr. & Pap. deb. stock "B" [illegible]
Trust & Loan of Can. [illegible]

Dividends Declared

	Annual rate	Amt. this payment	Date payable	Date of record
Acme Farmers Dairy pfd.	7%	3½%	Aug. 10	July 30
Agnew Surpass, pref.	7%	1¾%	Oct. 1	Sept. 15
Blue Ribbon, pfd.	$2	50c	Aug. 1	July 20
Banque Can. Nationale	10%	2½%	Sept. 1	Aug. 15
Bank of Toronto	10%	2½%	Sept. 1	Aug. 15
Bank of Montreal	10%	2½%	Sept. 1	July 30
Belding Corticelli, pref.	7%	1¾%	Sept. 15	Aug. 31
Bordens	$2	50c	Sept. 1	Aug. 15
Brazilian Tr., ord.	...	2% stk.	Sept. 1	July 30
Can. Wire & Cable pref.	6½%	1⅝%	Sept. 15	Aug. 31
Canadian Car c.	60c	15c	Aug. 30	Aug. 15
Can. Converters	$2	50c	Aug. 15	July 31
Can. Hydro-Electric, pfd.	6%	1½%	Sept. 1	Aug. 1
Coniaurum Mines	...	3c	Aug. 15	Aug. 1
Cosmos Imperial, pfd.	$3.50	87½c	Aug. 15	July 30
Chase, A. W., pfd.	...	$1	Aug. 10	July 31
Can. Bank of Commerce	10%	2½%	Sept 1	July 31
Canadian Oil	$1	25c	Aug. 15	Aug. 1
Do., pref.	$8	$2	Oct. 1	Sept. 20
Consolidated Sand, pfd.	$2	50c	Aug. 15	July 30
Canada Bread, "B" pfd.	$2	50c	Sept. 1	Aug. 15
Dominion Bridge	$2	50c.	Aug. 15	July 30
Do.,	..	50c.	Nov. 15	Oct. 31
Eastern Theatres, com.	$2	50c	Sept. 1	July 31
Hollinger Mines	65c	5c	Aug. 11	July 28
Kelvinator, pref.	7%	1¾%	Aug. 15	Aug. 5
Lindsay, C. W., pfd.	6½%	1⅝%	Sept. 15	Aug. 15
Loblaw "A" & "B"	80c	20c	Sept. 1	Aug. 12
McIntyre Mines	$1	25c	Sept. 1	Aug. 2
Do., extra	...	12½c	Sept. 1	Aug. 2
McColl Frontenac, c.	60c	15c	Sept. 15	Aug. 15
Montreal Loan & Mtge.	12%	3%	Sept. 15	Aug. 31
Ontario Steel, pref.	7%	1¾%	Aug. 15	July 30
Penmans	$3	75c	Aug. 15	Aug. 5
Quebec Power	$1.50	37c	Aug. 15	July 21
Royal Bank	10%	2½%	Sept. 1	July 31
Rolland Paper, pfd.	6%	1½%	Sept. 1	Aug. 15
Simon, H. & Sons, pref.	7%	1¾%	Sept. 1	Aug. 20
Southern Can. Power com.	$1	25c	Aug. 15	July 30
Shawinigan W. & Pr.	$1	25c	Aug. 15	July 21
Standard Steel "A" pfd.	$3	75c	Oct. 1	Sept. 15
Standard Paving, pfd.	$2	50c	Aug. 15	July 30

Dividends Passed or Deferred:

Power Corp., com. Aug. 20, passed. Last paid 50c. May 20, 1932.
Foundation Co. com. Aug. 14 passed. Last paid 12½c. May 14, 1932.
Foreign Power Secs. pref. Aug. 15, deferred. Last paid $1.50 May 16, 1932.
Langley's, pref. Aug. 15, passed. Last paid 1¾% May, 16, 1932.
Ontario Equitable Life, Aug. 1, passed. Last paid 20c. Feb. 16, 1932.
West. Canadian Hydro, com. "A," July 20, deferred. Last paid 15c. Apr. 20, 1932.
Canada Wire & Cable "A," com. Sept. 15, passed. Last paid $1 June 15, 1932.

Dividend Rate Reduced:

Bordens c. 50c. Sept. 1. Reduced from $3 to $2 per annum.
Cosmos Imperial, pref. 87½c. Aug. 15. Reduced from 7% to 3½% per annum.
Can. Investors c. 10c Aug. 2. Reduced from 15c to 10c.
Dominion Bridge 50c. Aug. 15. Reduced from $2.50 to $2 per annum.
Royal Bank 2½% Sept. 1. Reduced from 12% to 10% per annum.
Bank of Montreal 2½% Sept. 1. Reduced from 12% to 10% per annum.
Bank of Toronto 2½% Sept. 1. Reduced from 12% to 10% per annum.
Can. Bank of Commerce 2½% Sept. 1. Reduced from 12% to 10% per annum.
Consolidated Sand, pfd. 50c. Aug. 15. Reduced from $4 to $2 per annum.
Standard Paving & Materials, pfd., 50c. Aug. 15. Reduced from $4 to $2 per annum.

Extra Dividends:

McIntyre Mines 12½c Sept. 1.

Winnipeg Grain Prices

Week to August 2

Crop Year from Aug. 14 High	Low		Open July 27	High for week	Low for week	Close Aug. 2
		Wheat				
.77⅞	.52¼	July	.57⅞	.60¼	.57	....
.72⅜	.55¼	Oct.	.60¼	.62⅝	.57¼	.57¼
.66⅞	.56⅞	Dec.	.61⅜	.64	.58⅝	.58⅝
.64⅞	.62⅝	May	....	.64½	.62⅝	.62⅞
		Oats				
.41⅞	.30¼	July	.40⅜	.41⅜	.38⅜	....
.35¼	.27	Oct.	.30⅜	.30¼	.27	.27½
.29⅜	.26¼	Dec.	.28¾	.29⅛	.26¼	.26⅝
		Barley				
.45¼	.38⅞	July	.38⅜	.38⅜	.35⅝	....
.43½	.31⅛	Oct.	.35½	.35⅝	.32¼	.32¼
.35⅝	.31⅝	Dec.	.35½	.35⅞	.32⅜	.32⅜
		Flax				
1.16½	.63	July	.72	.73	.68⅞	....
1.09½	.66½	Oct.	.75½	.76	.69⅞	.70
.78½	.68⅞	Dec.	.76¼	.76½	.71⅝	.71⅝
		Rye				
.59	.31¼	July	.35¼	.36⅜	.34¼	....
.55⅝	.33⅛	Oct.	.37¼	.39⅜	.33⅞	.34
.40⅝	.34½	Dec.	.38⅜	.40⅜	.35¼	.35⅜

Canadian Bonded Grain in U. S.

Quotations on New York Produce Exchange, Basis Buffalo

Week to August 2

High 1932	Low		Close July 26	High for week	Low for week	Close Aug. 2
		Wheat				
.64¼	.47⅜	July	.52¼	.54⅜	.53	.53
.66¼	.50⅝	Oct.	.56	.57⅜	.52⅝	.56
.57½	.54⅝	Dec.	....	.57½	.54⅝	.57

BRITISH MASTERS DISCUSS REASONS IRON ORE POLICY

Would Like to Use Newfoundland Product, They Say

NOT YET FEASIBLE

Lack of Dockage Facilities and Peculiar Type of British Furnace is Blamed

The British ironmasters' view on Newfoundland's claim for larger United Kingdom ore markets is given here. On this page also appears a comprehensive story of Newfoundland iron ore, its present development and its requirements.

By Staff Editor

OTTAWA.—One of the most important questions to which Newfoundland seeks a solution at the Economic Conference, is the matter of marketing its iron ore in Great Britain.

In normal times—for instance the period 1925-28 inclusive—Great Britain imported about 4,000,000 tons of iron ore. This is roughly 70 per cent of her total requirements, the remainder being supplied from domestic ore. But less than one-half of one per cent of these imports come from within the Empire and Newfoundland, which boasts the largest and most extensive iron ore mine in the British Empire, will rightly seek a more satisfactory answer to a question which means so much to the 2,000 employees of her iron mining industry at Bell Island in Conception Bay on the east coast of Newfoundland.

British Profess Willingness

British iron masters are more than willing to use iron ore from Newfoundland, if it can be procured on a satisfactory basis, according to representatives of the industry now visiting Ottawa for deliberations with Canadian iron and steel men and to advise British delegates on matters pertaining to their industry.

Two difficulties stand in the way, they say.

Firstly, it is pointed out that Newfoundland ore cannot be imported on a satisfactory price basis unless it is brought in in large bottoms ranging in size from 8,000 to 10,000 tons. Britishers say that to bring it in any smaller vessels is too expensive. But the majority of British plants cannot be reached by large vessels, they say, because of lack of suitable dockage and unloading facilities. To make these facilities would mean an expenditure roughly estimated at several millions of dollars, divided between three or four ports from which these plants are now served by small tramp steamers now bringing foreign ore from Spain and Scandanavia.

Adapted to Domestic Ore

Secondly it is said that since over two-thirds of the normal requirements of British industry are served from domestic supplies, British furnaces have for generations been *built* and operated along lines and according to specifications which would most readily and cheaply use this native ore. The composition of the famous hematite deposits of Newfoundland are different, however, and accordingly would need special treatment, it is said. Some day it will doubtless be feasible to adapt the British furnaces to use this vast ore reserve, but at present Britishers feel it is not economically feasible to do this.

As to why Germany has been such a good purchaser of this ore in recent years, it was said that German furnaces are more modern in construction and are quite adaptable to the Newfoundland products and that in addition, German ore supplies can readily be obtained in the large 8,000 and 10,000 ton vessels which can dock at the big harbor at Rotterdam which is equipped with every modern facility for handling such cargoes. Loss of Germany's fine reserves in the Lorraine area, after the war, has of course been a primary reason for her turning away to foreign sources of supply.

The only British user of Newfoundland ore at the present time is the Ford plant at Dagenham on the Thames, outside London. Presence of adequate docking facilities for big ships is said to be one of the chief reasons why this ore can be used here, and not elsewhere in England.

"Eventually Great Britain may find it economical to use Newfoundland ore," The Financial Post was told. "British iron and steel plants have used it from time to time and found it satisfactory. They are desirous of using it but at the present time do not find it economically possible to do so."

Trust Deposits Down 1 Per Cent In Past Quarter

Savings deposits of 31 trust and loan companies registered in Ontario show a decline of 1 per cent for the quarter ending June 30, 1932. Total deposits at that date amounted to $73,256,000 as compared with $74,028,000 at the end of the previous quarter. As compared with a year ago, deposits are lower by $4,400,000 or 5.6 per cent.

Ratio of total available liquid securities to deposits amounted to 56.1 per cent as compared with 55.3 at the end of the previous quarter and 60.6 per cent a year ago. Holdings of dominion or provincial bonds or guarantees are lower by $230,000 at $20,180,000; cash on hand or deposit is also slightly lower. There is a gain of $240,000 in holdings of Canadian city and Ontario municipal debentures.

Analysis of guaranteed investments shows trustee investments comprise 79.4 per cent of total guaranteed funds as compared with 78 per cent in the previous quarter and 68.5 per cent a year ago. Guaranteed funds in the twelve month period have declined $25,000,000 to $128,000,000 while trustee investments allocated against these funds have been maintained at $101,600,000 as against $104,800,000 a year ago.

Iron Ore Supply Lies Within Empire

Survey of Newfoundland's Wabana Ore Body Reveals Dominating Position in World Picture

By J. T. MEANEY

ST. JOHN'S, Newfoundland.—"The deposits of hematite at Wabana, Newfoundland, are in themselves practically inexhaustible, for they could supply the entire world's demands for more than twenty years, and at their present output continue for 3,600 years."

The foregoing extract is from the "Imperial Mining Resources Bureau of Great Britain, 1922." It conveys to the reader the immensity of the iron-ore deposits known as Bell Island iron mines, situated in Conception Bay, Newfoundland, the greater part of which is owned and operated for the past 37 years by the Nova Scotia Steel Co., and the Dominion Iron and Steel Co., of Nova Scotia.

That estimate was based on the then ascertained area of the huge submarine deposit which came within the areas under the direct control of the two companies named above. Since then further explorations have determined the existence of extensive areas of submarine ore which lie outside their holdings, no reliable estimated of which has been officially given.

Sold For $120,000

The discoverers and original owners of this mineral eldorado sold their claims in 1894 to the Nova Scotia Steel Co. for $120,000. The new owners began operations in 1895, and during the following four years exported roundly 500,000 tons which, it is stated, netted them over a million dollars profit. Of this half million tons Germany took 267,000, United States 140,000, and Sydney smelters 83,000 tons.

In 1900 the Nova Scotia Co., retaining an inexhaustible supply for themselves contained in the upper bed, sold the intermediate and lower beds to the Dominion Iron and Steel Co. for $1,000,000. The latter company began operations at once and the combined output of both companies since then has aggregated 30,000,000 tons. Of that quantity Canada took in round figures, 17,000,000; Europe, 11,000,000, and the United States 2,000,000 tons. Of this quantity Great Britain took less than five per cent.

Lowest Cost in N. A.

The cost of mining Wabana ore is said to be lower than that of any similar deposit in North America. The hematite ore of the Missabe and Vermillion ranges, Minn., being open pit mining, costs less on cars.

The mining cost of Wabana ore in the early years of operations was the lowest in the world, according to the late A. J. Moxham, American iron-and steel expert, who, in the course of a lecture delivered in Toronto in February, 1901, said:

> "At Bell Island Mines the actual price of mining and putting ore on cars is less than the traditional contractor's price for the removal of earth; in fact the ore is capable of being mined as cheaply as dirt; and in making steel at Sydney the cost of freight on the assemblage of the raw material being, coal nothing, as the smelters are built over the coal beds; limestone fifteen cents a ton, and ore forty cents a ton—or fifty-five cents in all. The cost of assemblage is the lowest in the world, and represents a saving of $2.45 a ton over the assemblage cost at Pittsburg, Penn."

But conditions obtaining at that date no longer exist. The ore was then shovelled into the cars from the surface seams, which have been cleaned up long ago, and as mining extended to submarine beds production cost increased, due to capital outlay and advance in wage scale.

Germany Chief User

The first shipment of ore to Europe was 5,000 tons in 1897. Between that date and the outbreak of the World War in 1914 shipments to Europe, principally Germany, aggregated 3,470,000 tons. During the war no ore was shipped to Europe, but shipments were resumed in 1920, and since then the yearly average has been roundly 690,000, aggregating 7,500,000 tons including 1931. Thus, Germany's purchases of Newfoundland ore more than doubled since the war compared with pre-war purchases, which is accounted for largely by her loss of the iron-ore deposits of Lorraine.

Before the war France controlled 33 per cent of Europe's iron-ore reserves and Germany 22 per cent. The realignment of boundaries gave France 48 per cent and left Germany only 7 per cent. Therefore, Germany will have to rely more largely in the future upon the iron-ore resources of foreign countries than during the marvelous pre-war development of her iron and steel industries, and doubtless will draw on Newfoundland supply in increasing quantity yearly.

With Germany's need of iron-ore is inseparably linked the future prosperity of Bell Island mining industry, unless an extensive new market for our ore is found within the Empire. No other large-scale industrial country in Europe or America will have any need of it.

Newfoundland Should Gain

Germany's pre-war iron-ore consumption was 42,500,000 tons, and her production 35,941,000 tons per year. Having lost to France more than one-third of her pre-war reserves her requirements to a proportionate extent must be provided from sources outside her frontiers. Newfoundland ore having a foothold in her market Germany's loss will inevitably prove Newfoundland's gain. Of the world's annual average output of iron-ore of 180,000,000 tons nearly 40 per cent of it is produced in North America, and in that production it is very probable that Newfoundland's quota will figure more largely in the future than it has in the past.

Between 1924 and 1929 was the period of our largest exports to Germany. During those years twenty-five countries returned to the gold standard, and the consequent revival of trade in Europe was reflected in Germany's increased purchases of our ore which reached in those six years a total of roundly 4,500,000 tons. At that time the prospect of Bell Island ore industry looked bright, but unfortunately Germany's industrial boom, as later disclosed, rested on the unsound foundation of financial inflation resulting from the inflow of borrowed capital to the enormous extent of four billion dollars within the corresponding period—1924 to 1929.

Commercial Value of Ore

The commercial value of Newfoundland ore ranks high in comparison with hard hematite ores of other countries. Its peculiar formation contributes to its low mining cost. It is of oolitic structure, has a jointed cleavage, and breaks readily into rhombohedral blocks of sizes suitable for furnace without further treatment.

The deposits consist of three separate and distinct beds in a series of sandstone and slate sediments. The ore troughs are elliptical in shape and mostly submarine, extending at greatest estimated length nearly twenty miles northerly from the outcrop on the island, carrying a width of between eight and nine miles under the waters of Conception Bay. The three proven beds of commercial ore vary in thickness from eight to twenty-six feet, dipping at a very low angle, less than eight degrees, and separates easily from the upper and lower strata. One of the submarine drives is about a mile, and another nearly two miles under the sea from the shore of the island.

The ore averages 52.14 per cent iron, 11.23 per cent silica and .042 per cent sulphur. In recent years the Sydney smelters have used Bell Island ore one hundred per cent.

Pit Costs Analyzed

During the seven years preceding the war, it has been said, the average pit-cost of ore from Wabana submarine areas was 72.5 cents per ton. The first seven years of large operation (1900 to 1906) the cost per ton was considerably below that figure and, according to Moxham, quoted above, gave the producers the lowest cost raw material assembled at any blast furnace of which there was then any record.

The loading facilities at Wabana contribute largely to keeping down the f. o. b. cost of the ore. Their loading piers are capable of accommodating 10,000-ton ships. Very little pier-building is needed, as the largest ships may dock close to the shore. Above the steamer piers are structures of heavy timbers, in the upper sections of which ore pockets are constructed; and over these run the tramway lines. The loaded ore-hoppers, operated on endless cable by electric power, are run out upon those tracks and their contents dropped automatically into the huge pockets, and the empty cars are switched over to the return track and run back to the mines. When the ships dock chutes are placed into the hatches, the doors of the ore-pockets are opened and the ore rushes down into the holds at the rate of 3,000 tons per hour.

World's Ore Reserves

According to international estimates the known ore reserves of the world aggregate about 36,000,000,000 metric tons. In extent of proven metallic ore reserves Newfoundland ranks fourth among the ore-producing countries of the world. Other known deposits of iron-ore exist in this country which some geologists have estimated as great in the aggregate as that of Bell Island. But these have not been proved, nor officially vouched for. From the most reliable official estimates by international authorities the following summary of unmined iron-ore is computed.

World's Reserves of Unmined Iron Ore

Country	Tons
Brazil	7,500,000,000
United States	6,500,000,000
France	4,369,000,000
Newfoundland	3,650,000,000
Cuba	3,221,000,000
Great Britain	2,254,000,000
Sweden	1,548,000,000
Germany	1,374,000,000
Russia	1,032,000,000
Spain	610,000,000
Norway	367,000,000
Austria-Hungary	284,000,000
Luxemburg	270,000,000
Asia	260,000,000
Africa	225,000,000
Greece	100,000,000
Other countries	1,750,000,000
Roundly	36,314,000,000 metric tons

The output of iron ore in the principal ore producing countries of America, Europe, Asia and Africa pre-war and post-war periods follows. Changes in boundaries consequent on peace-settlements effect comparisons between pre-war and post-war statistics.

World Production of Iron Ore
(In metric tons)

	1913	1928
America		
United States	62,972,000	63,195,000
Cuba	1,608,000	401,000
Newfoundland	1,457,000	1,573,000
Chile (Tofo Mine)	14,000	1,515,000
	66,051,000	66,684,000
Europe		
Germany	28,606,000	6,005,000
France	21,918,000	49,382,000
Great Britain	16,254,000	11,443,000
Spain	9,862,000	5,771,000
Russia	9,514,000	†4,792,000
Sweden	7,476,000	4,673,000
Luxemburg	7,333,000	7,027,000
Austria	3,039,000	1,928,000
Czechoslovakia	nil	1,779,000
Italy	603,000	625,000
Norway	545,000	†479,000
Poland	nil	699,000
Roumania	nil	84,000
	105,152,000	94,687,000
Asia	8,496,000	3,297,000
Africa	1,974,000	3,046,000
	10,470,000	6,343,000
Total*	181,673,000	167,714,000

*Of all countries named according to best available statements.
†1927 data.

Undoubtedly this is an under estimate. No accurate data are obtainable from Asiatic and South American countries, nor from other regions where iron ore is produced, though in small quantities.

Brazil Alone Exceeds

Although the indicated ore reserves enumerated above are large, no individual country, except probably Brazil offers such huge quantity for export as does Newfoundland. From the estimated reserves of the United States over a billion tons have been extracted, and if the rate of production of the last twenty-five years is maintained for half a century longer it is said that her known ore resources will be nearing exhaustion.

Cuba must be regarded as an auxiliary source of supply where the United States would take precedence to all other countries, because of its close political association with the little republic, and America's large capital investment in her natural resources and industries.

The collective resources in Europe upon which Great Britain now depends for her import ore does not exceed the single deposit of hematite ore at Bell Island. The great ore producing countries of Europe are her competitors in the manufacture of iron and steel. The only assured source of supply in North America is that of Bell Island, from whose 3,650,000,000 tons only 30,000,000 have been taken up to date, and less than 5 per cent of that has gone to England.

France and Germany will incline more and more to conserve their resources, and the drain on the comparatively limited resources of Spain and the Scandinavian countries places definitely the date of the exhaustion of their present known deposits. The Asiatic and African ores do not come within the region of economic utilization in the industrial centres of Europe.

There remains, then, Russia, whose iron-ore deposits are admittedly very much greater in extent than indicated above. But even if her vast areas were thrown open to the nations of the world, and the capital for their development were forthcoming, her ores could not, in accessibility or transportation cost, compete with Newfoundland ore in the markets of Europe, and certainly not in those of Great Britain.

And while Bell Island deposits are great and valuable they do not constitute all the ore resources of Newfoundland. Unless many geologists of high standing err we have within our borders other extensive deposits of hematite, and other iron-ores, all easily accessible from the sea coast. Supplementing those known deposits we have the unexplored mineral areas of the Labrador, from which large quantities of samples of iron ore and the precious metals have been brought to this country, Canada and the United States. Of these areas Dr. A. P. Low, Canadian Government Geologist, in the report of his survey of that region in 1895 said:

"Occurrences of iron ore were numerous, also deposits of titanic iron ores, iron pyrites, and mica, at various points."

Labrador Held Intact

Since then many prospectors have explored the hinterland of Labrador, and brought out numerous samples of ores, including gold, silver and copper. At this date there are on file in the office of the Mines and Forests Department applications for mining licenses filed by Canadians, Americans and Newfoundlanders covering extensive mineral areas for which they are prepared to pay thousands of dollars.

One group recently tendered the department $10,000 fees for a gold-bearing section, but the policy of the Government since the Privy Council awarded the territory to Newfoundland six years ago is to hold the area intact, the purpose of which has not yet been officially made known.

Common rumor attributes that policy to a desire to hold our northern domain free of encumbrances with a view of auctioning it to the highest bidder when our financial burden becomes too heavy to maintain and live in moderate comfort. However, there are enthusiasts who hold the opinion that abrador is destined in the near future to become the mineral eldorado of North America.

Apparently, then, Newfoundland, England's oldest and least developed North American possession, offers the Empire capitalists unexplored regions of fabulous potential wealth in forest and mine, as well as proved and actively operated natural resources of incalculable value. The statesmen now at Ottawa engaged in shaping the future of the Empire's trade, commerce and industry may look farther afield in vain for more profitable avenues of investment than those which Newfoundland's natural resources of land and sea offer.

We feel confident that our delegates to that epoch-marking conference will succeed in convincing John Bull's commercial travellers that the Cinderella of the Empire has something valuable to contribute to the Commonwealth's store of riches, and that nature has lavishly endowed her with wealth-producing resources which industrialists seek in other lands.

And let us hope that, like the Prince finding the glass slipper, their discovery of our "iron-shoe" may lead to a closer industrial union between the Oldest Colony and the newest Commonwealth.

Mining Stock Quotations

Week Ending August 1.

Par Val.	Range 1932 High	Low	Company	Sales	Close July 25 (or last)	High for week	Low for week	Close Aug. 1
1	.05¼	.03	Abana	......	.03	.....	.....	.....
1	.02	.00½	Aconda	......	.00½	.....	.....	.....
No	.15	.11	Algoma	71,000	.13½	.15	.12½	.13½
No	.15	.15	Aldermac	......	.15	.....	.....	.....
1	.09	.00¾	Alexandria	43,000	.01½	.02¼	.01½	.02¼
1	.01¼	.00¾	Algonquin	10,000	.00¾	.00¾	.00¾	.00¾
1	.01¼	.00¾	Amity C.	......	.00¾	.....	.....	.....
No	.22	.06	Amulet	2,100	.12	.12	.11	.12
1	.00¾	.00½	Apex	2,000	.00½	.00½	.00¾	.00¾
1	.02¾	.01	Area	2,000	.02	.02	.01¾	.01¾
No	.03	.00¾	Arno	17,000	.02	.02¼	.02	.02¼
1	.02¾	.02	Astoria Rouyn	......	.02¾	.....	.....	.....
1	.07	.02	Bagamac	......	.03½	.....	.....	.....
1	.01½	.00¾	Baldwin	14,000	.01¾	.01½	.01	.01½
1	.12	.03¼	Barry Hollinger	7,450	.08	.09	.08	.09
No	1.00	.30	Base Metals	100	.56	.56	.56	.56
No	.12	.01	Bidgood	52,000	.02½	.03½	.02½	.03½
1	.16¼	.04	Big Missouri	3,100	.08	.09½	.09	.09
1	.05¾	.02	Bobjo	18,000	.04½	.04½	.04	.04
1	.09	.02½	Brett Trethewey	5,500	.07	.07½	.07	.07
No	.03	.00¾	Brownlee	56,900	.01¾	.02¼	.01½	.02¼
1	.00¾	.00¾	Buckingham	......	.00¾	.....	.....	.....
No	.36	.02	Buffalo Can.	3,800	.09½	.09½	.04	.04
No	.04	.01	Bunker Hill	30,700	.04	.04	.03½	.03½
5s	.50	.10	B'Wana McKubwa	......	.10	.....	.....	.....
No	.01	.00½	Cal. Flin Flon	......	.01	.....	.....	.....
No	.03	.02	Canam Metals	......	.02	.....	.....	.....
1	.04	.01½	Can. Kirkland	1,000	.02¼	.02½	.02¼	.02¼
1	.09	.00¾	Canusa	4,000	.04	.05	.04¾	.04¾
No	.02¼	.00¼	Capital Rouyn	1,000	.00½	.00½	.00¾	.00½
1	.07	.02½	Cartier Malartic	2,000	.04½	.05	.05	.05
1	.16	.09	Castle Trethewey	1,700	.14	.15	.12½	.14
1	.09	.04	Cen. Manitoba	4,500	.09	.09½	.09	.09
1	.08	.02	Cen. Patricia	2,200	.07½	.08	.07½	.08
No	.07½	.01¼	Chibougamau Pros.	1,000	.04¾	.04	.04	.04
No	.02	.00⅞	Cleriey	16,500	.01¼	.01¼	.01	.01
5	3.00	.45	Coast Copper	600	1.05	1.10	1.10	1.10
1	.02	.00½	Cobalt Contact	......	.01¾	.....	.....	.....
No	.16	.15	Cobuc	......	.15½	.....	.....	.....
1	.08	.03	Columario	4,000	.06	.06	.05	.05
5	.80	.69	Coniagas	......	.69	.....	.....	.....
No	.45	.28	Coniaurum	400	.45	.45	.40	.40
25	75.00	25.00	Cons. Smelters	1,745	56.50	59.00	53.50	57.00
No	12.65	9.00	Dome Mines	6,050	12.30	12.45	11.75	11.75
No	.10	.02	Dom. Explorers	7,500	.05	.04½	.03½	.03½
1	.01	.00¾	Don Rouyn	......	.00¾	.....	.....	.....
	.04	.03½	Duparquet	......	.03½	.....	.....	.....
1	1.55	.78	Eldorado	13,205	1.36	1.37	1.30	1.32
No	1.24	.47	Falconbridge	4,200	1.15	1.15	1.00	1.11
1	.04	.00¾	Federal	2,000	.01½	.01⅞	.01⅞	.01⅞
No	.00½	.00¼	Flintoba	......	.00¾	.....	.....	.....
No	.07	.00¾	Gem. Lake	24,000	.01½	.01¾	.01½	.01½
1	.02¼	.00¾	Goldale	......	.02	.....	.....	.....
10	.14	.05¼	Goldfield	500	.10	.14	.14	.14
1	.00½	.00¼	Gold Hill	......	.00¼	.....	.....	.....
1	.04	.03	Goodfish	10,000	.03	.03½	.03	.03
1	.02	.00¾	Graham	1,000	.01	.02	.02	.02
1	1.25	.50	Granada	8,200	.85	1.01	.86½	1.00
1	.22	.08	Grozelle	1,500	.08	.08	.08	.08
1	.02¼	.01	Harker	1,000	.01	.01	.01	.01
1	.01¾	.00¾	Hilltop	61,000	.00⅞	.01¼	.00⅞	.01¼
5	5.71	4.24	Hollinger	5,915	5.60	5.65	5.40	5.40
1	.49½	.26	Howey Gold	16,900	.49	.49	.48	.48½
No	2.78	.92	Hudson Bay	4,400	2.00	2.35	1.75	2.35
No	.20	.15	Huronian	......	.15	.....	.....	.....
No	11.00	4.00	Int. Nickel	39,604	6.75	7.25	6.12	7.00
1	.01⅞	.00½	Jackson Manion	5,000	.01½	.01	.01	.01
1	.22	.20	Keeley	......	.21	.....	.....	.....
1	.02¼	.00½	Keora Mines	3,500	.01	.01½	.01½	.01½
1	.70	.40	Kirk. Hud. Bay	766	.50	.50	.45	.50
1	.02¼	.00½	Kirk. Hunton	2,000	.00¾	.00⅞	.00¾	.00¾
1	.55	.19	Kirkland Lake	12,300	.40½	.42½	.36	.37
1	.03½	.00½	Kirkland Premier	4,700	.01½	.01¼	.01	.01¼
1	.13	.05	Kirk. Townsite	4,500	.08	.08	.07½	.08
20c	.01¼	.00¼	Koot. Florence	1,000	.00¾	.00¾	.00¾	.00¾
1	.01½	.00¾	La Rose	......	.01½	.....	.....	.....
1	.41	.14	Lakeland	......	.15	.....	.....	.....
1	30.25	24.90	Lake Shore	1,975	30.00	30.10	29.40	29.50
1	.00½	.00¼	Laval	......	.00¼	.....	.....	.....
1	.07	.01½	Lebel Oro	1,000	.02¼	.02¼	.02	.02¼
1	.41	.13	Macassa	119,400	.24½	.25½	.19½	.23½
1	.07	.02½	Malartic	20,500	.04½	.04½	.04	.04
1	.01½	.00¾	Malrobic	44,000	.00½	.00¾	.00½	.00¾
No	.06	.02	Mandy	......	.04	.....	.....	.....
No	.01½	.00½	Manitoba Basin	......	.00¾	.....	.....	.....
5	21.35	14.70	McIntyre	2,702	21.25	21.05	20.00	20.00
1	.35	.25	McKinley	550	.30	.35	.35	.35
No	.09¼	.02¼	McLeod River	45,000	.03⅞	.04½	.03¼	.04½
No	1.53	.58	Mining Corp.	2,560	1.45	1.41	1.30	1.35
1	.08½	.01¼	Moffatt Hall	218,700	.02	.03½	.02	.03
1	.02¾	.02¾	Moneta	......	.02¼	.....	.....	.....
1	.45	.19½	Moss	8,800	.32	.32	.30	.30
1	.02¾	.00¾	Murphy	12,000	.01½	.01¾	.01¼	.01¼
No	.03	.01	Newbec	5,000	.01¼	.02	.01¼	.02
5	1.15	.50	Nipissing	1,550	1.00	1.05	.95	1.00
No	19.80	12.50	Noranda	13,140	17.00	17.75	16.50	17.40
No	.24	.10	Nor. Canada	15,600	.22	.24	.20	.20
No	.01	.00½	Old Colony	......	.00½	.....	.....	.....
1	.08	.05	Osisko	500	.08	.07	.07	.07
1	.10	.07	Parkhill	1,500	.08	.10	.08	.10
1	.13½	.11	Patricia Dent	......	.13	.....	.....	.....
1	.02	.01	Pawnee Kirk	......	.01	.....	.....	.....
No	1.15	.35	Pend Oreille	290	.55	.65	.55	.55
1	.01	.00½	Peterson Cobalt	833	.01	.00¾	.00¾	.00¾
1	4.10	3.00	Pioneer Gold B.C.	5,200	3.90	3.98	3.90	3.90
1	.00¾	.00¼	Porcupine Crown	......	.00¾	.....	.....	.....
1	.02	.00¾	Potter Doal	6,500	.00½	.00½	.00¾	.00½
	.12	.12	Powell Rouyn	......	.12	.....	.....	.....
1	.63	.32	Premier Gold	2,600	.51	.55	.54	.55
1	.00⅞	.00½	Preston E. Dome	......	.00½	.....	.....	.....
No	.30	.15	Prospectors Air's	......	.18	.....	.....	.....
No	1.00	1.00	Quebec Pros.	......	1.00	.....	.....	.....
No	.06	.03	Quemont	......	.04	.....	.....	.....
No	.02¼	.00½	Ribago	2,500	.00¾	.00¾	.00¾	.00¾
1	.02¼	.01	Ritchie	20,000	.01¾	.02	.01¾	.02
1	.01½	.00½	Robb Montbray	2,000	.00¾	.01½	.01½	.01½
1	.48	.25	San Antonio	4,783	.45	.48	.45	.45
1	.09	.07½	Seven Troughs	......	.07½	.....	.....	.....
1	.65	.18	Sherritt Gordon	19,055	.41	.43	.30½	.33
1	.79	.50	Siscoe	51,405	.77	.79	.75	.75½
1	.03	.00½	South Keora	6,500	.01	.03	.02	.02
No	.02¼	.00½	Stadacona	28,000	.01½	.01¾	.01	.01½
1	.17	.05	St. Anthony	2,500	.05	.06	.06	.06
No	.60	.16	Sudbury Basin	3,175	.60	.50	.40	.42
1	.01¼	.00¾	Sudbury Contact	3,000	.00½	.00¾	.00¾	.00½
1	.01	.00¾	Sudbury Mines	4,000	.00¾	.00¾	.00½	.00½
1	.14½	.07	Sullivan	13,500	.12½	.14½	.13½	.14
1	.75½	.39	Sylvanite	19,450	.75	.72	.65	.66½
1	.07	.01	Tashota	22,000	.03	.03	.02½	.02½
1	5.25	3.10	Teck Hughes	8,805	4.30	4.35	4.16	4.20
1	.04	.02	Thom Cadillac	14,700	.04	.04	.04	.04
1	.40	.16	Towagmac	600	.21	.21	.20	.20
1	3.00	1.01	Treadwell	......	1.75	.....	.....	.....
1	.09½	.02	United Kirkland	......	.06½	.....	.....	.....
1	.02	.00¾	Vacuum Gas	3,000	.00¾	.02	.01	.02
No	.59	.16	Ventures	53,260	.56	.57	.48	.50
1	.17¾	.04	Vickers	......	.06	.....	.....	.....
1	.45	.20	Vipond	112	.38	.35	.35	.35
No	1.00	.25	Waite Ackerman	......	.35	.....	.....	.....
1	.07	.01	White Lake	......	.01	.....	.....	.....
1	.01	.01	Wiltsey Coughlan	......	.01	.....	.....	.....
	.10	.04¾	Wood Kirkland	1,000	.07	.06	.05½	.01½
No	3.06	2.09	Wright-Hargreaves	10,960	2.91	2.95	2.84	2.90
			OIL STOCKS					
No	.19	.07½	Acme Gas & Oil	17,700	.16½	.17	.13½	.13½
1	1.17	.60	Ajax	6,700	.86	.86	.79½	.85½
1	.12	.04½	Alta. Pacific	......	.05	.....	.....	.....
1	.03½	.02	Askalta	......	.03½	.....	.....	.....
No	.10	.02¼	Associated	2,500	.02¾	.02¾	.02	.02
No	.05	.01	Baltac	100	.02	.05	.05	.05
	.05½	.00½	Benton	......	.00½	.....	.....	.....
1	.06	.02¼	Brit. Dominion	......	.03½	.....	.....	.....
No	.38	.14	Calgary & Ed.	......	.15	.....	.....	.....
1	.09	.04	Calmont	1,000	.04	.05	.04	.05
1	.11	.03	Common. Pete.	500	.05½	.05	.05	.05
No	.20	.06½	Dalhousie	......	.07	.....	.....	.....
No	.01	.01	Devenish	......	.01	.....	.....	.....
No	.02	.01	Devenish	......	.01	.....	.....	.....
No	.02	.00½	Dome Oil	......	.00¾	.....	.....	.....
No	.12½	.04	East Crest	1,600	.07	.10½	.07	.10½
No	.01½	.01¼	Fabyan Pete	......	.01¼	.....	.....	.....
No	.10	.06	Foothills	......	.06	.....	.....	.....
No	.03½	.02	Freehold	......	.02	.....	.....	.....
1	.02	.00½	Great West	......	.00½	.....	.....	.....
No	.06½	.03	Hargal	......	.03	.....	.....	.....
No	.05	.02	High Sarcee	......	.02	.....	.....	.....
No	.47	.15	Home	700	.25	.30	.25	.25
No	.05	.01½	Homestead	......	.01½	.....	.....	.....
1	.50	.09	Homestead O & G.	1,200	.22	.21	.18	.18
1	.01	.00¾	Illinois Alberta	......	.00¾	.....	.....	.....
No	.02½	.00¼	Lethbridge	......	.00¾	.....	.....	.....
No	.04	.04	Lowery	......	.04	.....	.....	.....
No	.02	.00¾	Madison	......	.00¾	.....	.....	.....
1	.15	.05½	Mayland	......	.06½	.....	.....	.....
No	.04	.01¼	McD. Segur Ex.	......	.01¾	.....	.....	.....
1	.04½	.01	McD. Segur N.	......	.01	.....	.....	.....
1	.50	.18	McLeod	......	.18	.....	.....	.....
No	.10½	.06½	Mercury	......	.07½	.....	.....	.....
No	.08	.04½	Merland	......	.08	.....	.....	.....
No	.15	.08½	Mill City Pete	......	.08½	.....	.....	.....
1	.20	.12½	Model	......	.13	.....	.....	.....
1	.05	.04	Monalta	......	.05	.....	.....	.....
1	.07	.03	Moose Mountain	......	.03	.....	.....	.....
1	.01	.01	New Federal	......	.01	.....	.....	.....
5	.14	.01	Nordon	10,700	.09	.08½	.05	.06½
No	.04½	.02	Oil Selection	23,600	.03⅞	.04½	.03⅞	.04
No	.05	.02½	Okalta	......	.03	.....	.....	.....
100	15.00	15.00	Do., pref.	......	15.00	.....	.....	.....
No	.32	.09	Olga Gas & Oil	54,800	.25	.27	.21½	.26
No	.06½	.02	Penn. Pete	37,500	.05¼	.05¾	.04½	.05½
No	20.00	20.00	Perfection Peter pfd.	......	20.00	.....	.....	.....
1	.28	.12	Petrol Oil & Gas.	200	.15	.15	.15	.15
No	.14	.08	Ranchmen's	......	.09	.....	.....	.....
1	.01	.00¾	Regent	......	.00¾	.....	.....	.....
No	.02½	.01	Richfield	......	.01	.....	.....	.....
No	6.65	3.95	Royalite	910	5.10	5.25	4.50	5.25
1	.12	.05	Sarnia Oil	2,400	.08½	.11	.09	.11
1	.03	.01	Signal Hill	......	.01	.....	.....	.....
1	.20	.10	Spooner	......	.10	.....	.....	.....
No	.11	.05½	Sterling Pacific	500	.05½	.07	.07	.07
1	.11	.07½	Turner Valley	......	.07½	.....	.....	.....
No	.08	.03	United	......	.03	.....	.....	.....
1	.09½	.03	Vulcan	......	.03	.....	.....	.....
No	.02	.00½	Wainwell	......	.00½	.....	.....	.....
			VANCOUVER STOCK EXCHANGE (Transactions for Week to July 26)					
25c	.00¾	.00¼	Bayview	......	.00¾	.....	.....	.....
20c	.05	.03½	Beaver Silver	6,000	.04	.04	.04	.04
25c	.02½	.01	Bluebird	......	.02	.....	.....	.....
1	.12	.04	Bridge River Cons.	95,340	.04½	.08¾	.04¾	.08
25c	.01½	.01½	Cork Province	......	.01½	.....	.....	.....
1	.13	.02	Cotton Belt	......	.02	.....	.....	.....
	.01½	.01½	Dalhousie Mines	......	.01½	.....	.....	.....
1	.45	.15	George Copper	......	.20	.....	.....	.....
50c	.02	.01¼	Geo. Enterprise	......	.02	.....	.....	.....
1	.04¾	.02	Georgia River	76,900	.02½	.03½	.02¾	.03⅜
1	.24	.10	Golconda	1,000	.12	.12	.12	.12
50c	.08	.02	Grandview	7,500	.02½	.02½	.02¼	.02½
1	.01	.01	Independence	......	.01	.....	.....	.....
1	.01½	.01	Indian Mines	......	.01½	.....	.....	.....
1	.12	.09	Inter. Coal	......	.12	.....	.....	.....
1	.21	.21	Jack Waite	......	.21	.....	.....	.....
25c	.00¾	.00½	Kootenay King	......	.00½	.....	.....	.....
1	.19½	.07¼	Lorne Gold	31,200	.08	.08¾	.08	.08
10c	.02	.01	Lucky Jim	......	.01	.....	.....	.....
5c	.12	.05½	Metaline Metals	......	.05½	.....	.....	.....
1	.03	.00½	Morton Woolsey	......	.00¾	.....	.....	.....
50c	.03	.00½	National Silver	12,000	.01½	.01¾	.01½	.01¾
50c	.08½	.02	Noble Five	27,500	.02¾	.02⅞	.02¾	.02¾
50c	.01	.00½	Oregon Copper	......	.00¾	.....	.....	.....
1	4.11	3.00	Pioneer Gold	2,625	3.70	4.00	3.70	3.95
50c	.08½	.02	Porter Idaho	12,500	.03¾	.03¾	.03½	.03¾
No	.01	.00½	Premier Border	3,000	.00¾	.01	.01	.01
No	.28	.07¾	Reeves McDonald	......	.07¾	.....	.....	.....
1	.52	.21½	Reno Gold	6,800	.40	.42	.39	.42
1	.05	.02¾	Ruth Hope	......	.03	.....	.....	.....
1	.03½	.02¾	Silverado	......	.03½	.....	.....	.....
25c	.02	.01	Silver Crest	2,000	.01	.01	.01	.01
50c	.01½	.00½	Snowflake	......	.00½	.....	.....	.....
20c	.02½	.01	Wellington	......	.01	.....	.....	.....
1	.04	.00½	Whitewater	......	.01	.....	.....	.....
No	.00⅞	.00⅞	Woodbine	4,000	.00 1/16	.00 1/16	.00 1/16	.00 1/16

DIVIDEND PAYERS

	Rate	Yield %		Rate	Yield %
Ajax Oil	3c.	....	Petrol Oil	1c.	....
Coniaurum	3c.	....	Premier	12c.	21.81
Dome Mines	$1+20c.	10.21	Pioneer, B.C.	12c.	3.07
Hollinger	65c.	12.08	Royalite	50c.	....
Howe Sound	40c.	....	Siscoe	4c.	....
Lake Shore	$2+50c.	8.47	Sylvanite	4+½c.	6.76
McIntyre	$1.50	7.50	Teck Hughes	60c.	14.28
McLeod Oils	5c.	....	Wright-Har.	10c.	3.50
Noranda	50c.	2.87			

Hungerford Named Director Canadian National System

From Our Own Correspondent

MONTREAL.—At a meeting of the directors of the Canadian National Railways, S. J. Hungerford, acting president, was elected a director in place of Sir Henry Thornton, whose resignation took effect at the end of last month. It is also stated that the directors reached an arrangement with Sir Henry in respect to compensation in view of the fact that his contract did not expire for another year.

Short Elected Manager Lake of Woods Milling Co.

From Our Own Correspondent

MONTREAL.—Official announcement is made of the appointment of C. H. G. Short as general manager of the Lake of the Woods Milling Co. Mr. Short, who has been assistant general manager for some time, succeeds N. J. Breen, of Winnipeg, who retired on August 1.

Enthusiastic beekeepers from Saskatoon and district have organized a Northern Saskatchewan Beekeepers' Association, in an endeavor to improve the market for honey and to encourage development of the honey trade in the province. Last year the output of honey was valued at $75,000. The Association is making plans to advertise its products and is also arranging a comprehensive display at the Saskatoon Exhibition.

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John M. Macdonald Dies; Was B. of M. Manager

John M. Macdonald, manager of the Bank of Montreal at Brandon, Man., for ten years prior to his recent retirement, died recently at St. Vital Sanitorium. He was aged 52.

Mr. Macdonald came to Canada in 1894 and entered the service of the Bank of British North America at Saint John, N.B. He was transferred to British Columbia, then later to Yorkton, Sask. Subsequently, following the merger of the Bank of Montreal and the Bank of British North America, Mr. Macdonald was sent to Brandon as manager in 1922.

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Canadian Mining News

CENTRAL MANIT'BA REPORTS PROGRESS BUT DEFICIT SHOWN

Gold Output and Ore Reserves Up But Loss is $2,663

NEW AREA PROMISING

Costs Increase But Development Footage Less — Working Capital is $124,415

The fifth annual report of Central Manitoba Mines, Manitoba's premier gold property, covering the fiscal year ended April 30, 1932, reflects the best year the company has enjoyed in its history, with production and ore reserves increased and the net loss cut to $2,663 after reserves of $55,213. This compares with a loss of $36,925 the previous year after reserves of $40,436. Exchange compensation of $40,801 received on its gold shipments saved the loss from being higher than shown in the previous year although this year included an item of $11,500 for management and legal services rendered previous to the present fiscal year.

The following is a comparative income and surplus statement:

INCOME AND SURPLUS ACCOUNT
Years Ended April 30, 1932

	1932 $	1931 $
Bullion	465,299	408,903
Less oper. exp.:		
Devel. & mining	277,094	238,216
Mill oper.	127,800	141,962
Royalty	26,058	2,431
Insur.	5,630	5,864
Fire loss	159	......
Bullion expense	7,518	7,301
Admin. gen. exp.	23,036	18,285
Oper. loss	11,996	5,156
Non-oper. income:		
Exchange comp.	40,801	......
Int. and exch.	6,740	5,166
Sundry rev.	13,404	3,501
Rebate on trans.	1,685	......
Rebate on royalty	1,916	......
Net income	52,548	18,067
Reserves:		
Prev. management	11,500	......
Investment adjust.	2,871	......
Depreciation	40,842	40,436
Net loss	2,663	36,925
Rebate by management	......	14,556
Previous deficit	345,356	322,987
Deficit to bal. sheet	348,019	345,356

Production showed an increase for the first time in three years with 53,817 tons mined from which 7,748 tons were sorted. Mill heads were up and the extraction was 95.14 per cent. Indications from the royalty account are that the principal production came from the Tene 6 claim which was leased on a $1 per ton royalty basis from the Manitowan Syndicate early in 1931. The high sulphide content of this ore presented difficulties in treatment but no other method than at present in use promises more economic treatment, according to the report.

The following is a tabulation of production since commencement of operations, also a comparison of costs.

Summary of Production
Years Ended April 30

Year	Tons Milled	Recov. per ton	Bullion Recov.
1928*	14,171	$5.81	$ 82,384
1929	52,659	10.18	509,646
1930	53,436	7.88	421,276
1931	55,051	7.44	408,903
1932	53,817	9.10	440,430
			$1,862,689

*6 months' operation.

Production Costs Per Ton of Ore
Years Ended April 30

	1932 $	1931 $
Devel. and explor. Mining	5.15	4.83
Milling	2.37	2.58
Taxes and marketing	.14	.13
Gen. and admin. exp.	1.02	.48
Total oper. costs	8.68	7.52
Depr. and write-offs	.97	.74
Total costs per ton	9.65	8.26
Recovery per ton	9.10	7.44
Loss per ton	.55	.82

*Estimated.

The development footage totalled 5,183 in the last fiscal year as compared with 10,481 the previous year but the diamond drilling amounted to 3,570 ft. as compared with 1,274 ft. in 1931. The Tene 6 claim under lease came in for the major part of the development with 3,085 ft.

The ore reserves as at April 30, 1932, were estimated at 31,800 tons valued at $264,000 or the equivalent of $8.50 per ton. This compares with 11,500 tons valued at $111,480 at the end of the previous year.

Irvine M. Marshall, superintendent of the property, commented on developments as follows:

"Early in the period under consideration, development of Tene 6 gave some encouraging results. Later in the year development work east of the Growler disclosed an extension of the Growler shoot. Both of these points have been actively stoped throughout the year. Development at the close of the period is now being pushed on the Tene 6 property to greater depths from a locality that, at the moment, shows at least a moderate degree of promise."

The balance sheet as at April 30, 1932, showed current assets, also current liabilities, higher, resulting in a decrease of the working capital as follows:

Working Capital
As at April 30

	1932 $	1931 $
Current assets	203,779	151,395
Current liabs.	79,264	21,847
Working capital	124,415	129,548

The annual meeting of the company was held in Winnipeg on August 3.

Teck-Hughes Mines Earns $2,628,838 in 9 Months

The interim statement of earnings for nine months ended May 3, 1932, accompanying the dividend cheques of Teck-Hughes Gold Mines on August 1, added but little to the quarterly statements issued. Estimated earnings were $2,628,838 equivalent to 55 cents per share. The last quarterly statement for the three months ended May 31, showed earnings of 20 cents per share indicating that dividends are being safely covered.

Interim Statement
Estimated Earnings and Surplus

	9 Mos. Ended May 31 1932 $	12 Mos. Ended Aug. 31 1931 $
Gross income	4,942,564	6,049,830
Total Oper. cost	1,777,742	2,113,549
Net earnings	3,164,822	3,936,281
Less estimated taxes	307,384	338,367
Net earn. before depr.	2,857,438	3,597,914
Estimated for deprec.	228,600	286,323
Estimated surplus	2,628,838	3,311,591
Earning per sh.	$0.55	$0.69

Ontario's Gold Output Establishes New Record

Second Quarter Production Shows Individual Mines at Higher Levels, With But Few Exceptions

The six months' production statement by the Ontario Department of Mines shows that the Ontario gold mines produced gold to the value of $23,242,692 from 2,695,557 tons of ore or an average recovery of $8.62 per ton. Exchange compensation on the gold production amounted to $3,233,425, making the total value of the gold output $26,476,117.

The Kirkland Lake area again led in the value of the gold production, as it has for some time past, with the Lake Shore mine the largest individual producer in the province. Every camp in the province showed an increased production in the three months ended June 30, as compared with the previous quarter. Only three properties, Coniaurum, Barry-Hollinger and March Gold, the latter having closed down, showed a decline in production in the second quarter of the current year as compared with the first quarter. McIntyre, while the value of the production was down, showed a substantial increase in tonnage as also did Vipond.

The following is an analysis of production for the leading producers for the three months ended June 30, 1932, as compared with the first quarter ended March 31, 1932:

PORCUPINE CAMP

Ankerite*

	2nd quar. 1932	1st quar. 1932
Tons milled	11,371	......
Total rec. $	41,326	......
Rec. per ton $	3.65	......
Tons daily	124	......

*Production resumed in May.

Coniaurum

	2nd quar. 1932	1st quar. 1932
Tons milled	36,262	35,462
Total rec. $	207,952	234,645
Rec. per ton $	5.75	6.62
Tons daily	398	390

Dome

	2nd quar. 1932	1st quar. 1932
Tons milled	134,350	133,450
Total rec. $	1,144,853	960,560
Rec. per ton $	8.52	7.20
Tons daily	1,477	1,466

Hollinger

	2nd quar. 1932	1st quar 1932
Tons milled	427,452	415,367
Total rec. $	2,480,981	2,347,575
Rec. per ton $	5.80	5.65
Tons daily	4,700	4,565

March*

	2nd quar. 1932	1st quar. 1932
Tons milled	11,777	13,782
Total rec. $	24,005	41,123
Rec. per ton $	2.04	2.98
Tons daily	130	151

*Operations suspended early in June.

McIntyre

	2nd quar. 1932	1st quar. 1932
Tons milled	184,118	168,572
Total rec. $	1,283,612	1,408,329
Rec. per ton $	6.97	8.35
Tons daily	2,023	1,852

Vipond

	2nd quar. 1932	1st quar. 1932
Tons milled	26,778	25,604
Total rec. $	114,929	120,016
Rec. per ton $	4.30	4.69
Tons daily	294	282

Miscellaneous*

Recovery $	1,200	......

*Principally from Hayden Gold Mines, started in April.

Total Porcupine Camp

	2nd quar. 1932	1st quar. 1932
Tons milled	832,103	792,237
Total rec. $	5,298,888	5,112,248
Rec. per ton $	6.37	6.46
Tons daily	9,140	8,700

KIRKLAND LAKE CAMP

Barry Hollinger

	2nd quar. 1932	1st quar. 1932
Tons milled	8,811	8,817
Total rec. $	36,951	40,165
Rec. per ton $	4.19	4.56
Tons daily	97	97

Kirkland Lake Gold

	2nd quar. 1932	1st quar. 1932
Tons milled	13,431	13,911
Total rec. $	145,647	141,009
Rec. per ton $	10.86	10.15
Tons daily	148	153

Lake Shore

	2nd quar. 1932	1st quar. 1932
Tons milled	203,997	204,869
Total rec. $	3,327,076	3,027,000
Rec. per ton $	16.47	14.78
Tons daily	2,220	2,225

Sylvanite

	2nd quar. 1932	1st quar. 1932
Tons milled	25,160	23,265
Total rec. $	217,232	213,785
Rec. per ton $	8.66	9.19
Tons daily	276	255

Teck Hughes

	2nd quar. 1932	1st quar. 1932
Tons milled	118,200	118,300
Total rec. $	1,686,810	1,442,898
Rec. per ton $	14.26	12.18
Tons daily	1,300	1,300

Wright Hargreaves

	2nd quar. 1932	1st quar. 1932
Tons milled	73,465	73,102
Total rec. $	894,939	842,048
Rec. per ton $	12.17	11.52
Tons daily	806	804

Total Kirkland Lake

	2nd quar. 1932	1st quar. 1932
Tons milled	443,064	442,264
Total rec. $	6,308,655	5,706,905
Rec. per ton $	14.25	12.92
Tons daily	4,865	4,860

NORTHWESTERN ONTARIO

Howey

	2nd quar. 1932	1st quar. 1932
Tons milled	83,107	74,762
Total rec. $	321,872	278,632
Rec. per ton $	3.87	3.73
Tons daily	913	821

Minto

	2nd quar. 1932	1st quar. 1932
Tons milled	4,700	4,685
Total rec. $	45,294	37,774
Rec. per ton $	9.63	8.06
Tons daily	52	51

MOSS

Moss

	2nd quar. 1931-2	1st quar 1930-2	Total 1930
Tons milled	9,000	*	....
Total rec. $	54,136	....	....
Rec. per ton $	6	....	....
Tons daily	99	....	....

*New mill, started late in March being tuned up.

Parkhill

	2nd quar. 1932	1st quar. 1932
Tons milled	5,234	4,401
Total rec. $	46,306	31,982
Rec. per ton $	8.86	7.26
Tons daily	57	48

Total Ontario

	2nd quar. 1932	1st quar. 1932
Tons milled	1,377,208	1,318,349
Total rec. $	12,075,151	11,167,541
Rec. per ton $	8.76	8.47
Tons daily	15,150	14,500

LORNE GOLD MINE TO BE WOUND UP ASSETS DISBURSED

Owns 400,000 Shares in Bralorne Which Makes Initial Profit

At a meeting of shareholders of Lorne Gold Mines, held in Vancouver recently, it was announced that Bralorne Mines, in which the company has a 40 per cent interest, made an operating profit of $90,000 from its initial operations between February 8 and May 31, 1932.

A special general meeting of Lorne Gold shareholders is called for August 5 in Vancouver for the voluntary winding up of the company and the allocation of its Bralorne shares.

F. W. Rounsefell, president of Lorne, estimates that outstanding debt and liquidating expenses will amount to $44,500. It has 2,710,587 common $1 par value shares outstanding and owns 400,000 shares of Bralorne Mines and it is proposed to issue one Bralorne share for each eight shares of Lorne Mines held. Outstanding obligations include $36,225 to Stobie-Forlong Assets, Ltd., $1,457 to Bralco Development & Investment Co. which owns 60 per cent in Bralorne Mines and financed its mill construction and development. Both these latter companies have agreed to take Lorne treasury shares at 10 cents each in settlement of their claims. A $1,700 mortgage held by Austin Taylor is also to be liquidated by treasury shares at 10 cents.

Shareholders were told that consideration had been given to increasing the capitalization of Bralorne Mines from 1,000,000 to 2,000,000 shares, but this is not likely to be carried out. Operations at the property since Bralorne took it over on April 1, 1931, were outlined and included sinking an incline shaft to 200 feet below the adit level and the opening up of two new levels with encouraging results.

Mill construction at Bralorne was completed on February 6, 1932, and the hydro electric plant developing power for operations is said to be sufficient for 200 tons capacity. Recovery by amalgamation is from 70 to 75 per cent of the value and the concentrates are shipped to Tacoma for treatment. From February 8 to May 31, 1932, production including exchange compensation was valued at $157,476 from 11,119 tons of ore treated—an average recovery of $14.15 per ton. Tailing losses over the period amounted to $1.12 per ton, but in May averaged 82 cents per ton. The King vein has been opened up and assures sufficient ore to operate the mill for an additional seven months, while present exploration activities hope for considerable additional ore.

Port Hope Site Is Selected by Eldorado Gold

Eldorado Gold Mines has announced the acquisition of the Morrow plant at Port Hope, Ontario, which will be equipped for treating radium ore from its Great Bear Lake property, producing radium salts.

The plant acquired consists of a two-storey brick and steel building, warehouse and heating plant as well as bins suitable for the storage of ore. It is located on Lake Ontario waterfront and is served by both the Canadian Pacific and the Canadian National Railways. Plant rehabilitation is to start at once and it is planned to have it in operation before the end of the year.

Port Hope was selected as the site of refining operations owing to its being centrally located with respect to chemicals which figure so largely in the extraction of radium.

Twenty tons of high grade radium ore was shipped to Mines Department at Ottawa, from the Echo Bay property at Great Bear Lake last year for test purposes. It is expected that this year a much greater quantity will be shipped out by the water route to McMurray before the close of the navigating season. Not only is high grade radium ore being shipped out, but also several hundred bags of high grade silver ore. For the present time it is planned to have the high grade silver ore treated at a customs refinery.

Plant at Port Hope will be the only radium refinery in operation in the British Empire. The deposit at Great Bear Lake is inaugurating a new industry that is to challenge the radium monopoly presently held by the Belgians.

Granby Showed Loss Again Last Quarter

The Granby Consolidated Mining, Smelting & Power Co. report a net loss for the three months ended June 30, 1932, of $272,107 after all charges as compared with a net loss of $220,081 for the three months ended March 31, 1931. An operating profit was shown in the first six months of 1932, but depreciation and depletion converted it into a loss.

The following is a comparison of the first and second quarters of 1932:

	1st quar. 1932 $	2nd quar. 1932 $
Operating prof.	46,273	97,577
Less: Deprec.	196,957	196,956
Loss	150,684	99,379
Less: Depletion	121,423	120,702
Net loss	272,107	220,081

Metal Prices

New York—August 2—
Copper: Electrolytic spot, 5½c. lb.
London—August 2—
(Long Ton)—
Copper: Electrolytic spot, £31 10s; future, £32. Standard spot, £27 13s 9d; future, £27 7s 6d.
Tin: Spot, £133; future, £134 15s.
Lead: Spot, £10 8s 9d; future, £10 16s 3d.
Zinc: Spot, £12 7s 6d; future, £12 13s 9d.
Silver: 17⅛d. per ounce.

TYRRELL PREPARES GEOLOGICAL STUDY OF KIRKLAND LAKE

Comprehensive Maps Show Deepest Development in Camp

A interesting and instructive lithographed folder has been prepared under the direction of Dr. J. B. Tyrrell, president and managing director of the Kirkland Lake Gold Mining Co., graphically showing the geological features of the Kirkland Lake fault, particularly as it affects Dr .Tyrrell's property.

Much interest has centred about the deep working of Kirkland Lake Gold Mining as it has been pioneering the deep development of the camp which has to a marked degree aided in better understanding the geology of that famous area. Dr. Tyrrell has long been convinced that as his company's operations reached greater depth that the lamprophyre formation would become less prevalent and that the porphyry with which the massive ore bodies are associated, would become more plentiful. This opinion has been confirmed by the deeper workings. In the folder plans are shown of the surface, 1,000-ft., 2,475-ft., 3,875-ft and 4,750-ft. levels. A vertical section of the mine is shown north and south through the shaft and winze. This is a particularly interesting section as it shows the extent of the throw upwards of the south side of the main fault zone of the camp. The top of the seyenite formation found on the south side of the main break at about 550 ft. depth in the main shaft had its counterpart clearly demonstrated on the north side of the main break when the workings reached a depth of 1,850 ft., indicating vertical throw by the south side of about 1,350 ft.

Dyke Pitches Westward

Another interesting feature is the way the diabase dyke is shown pitching progressively westward at depth from the adjoining property on the east, and the fracturing of this dyke at the 4,750-ft. level the crosscut southward to the vein is almost entirely in this dyke.

It is unusual for a mining company to make such a comprehensive treatise on geological features of its operation, particularly at the stage of operations the Kirkland Lake Gold Mining is in at the present time.

In studying the developments at the property one is impressed by the foresight and courage shown by Dr. Tyrrell and can appreciate his satisfaction in seeing his early deduction regarding the geology confirmed.

The folder was prepared as a courtesy to the Society of Economic Geologists which had planned a trip to the northern mines early this month, but which has been deferred.

ACME GAS & OIL CO. MAINTAINS EARNINGS

First Six Months of 1932 Show Profits of $50,829 Before Reserve

The net income by Acme Gas & Oil Co. for the si months ended June 30, 1932, according to an official statement, was $50,829. This includes $25,547 in the three months ended March 31, and $25,282 in the three months ended June 30, indicating that earnings are being maintained this year. This compares with $77,279 for the 12 months ended Dec. 31, 1931, from which a reserve for decline in the price of investments amounting to $16,819 was made.

In connection with investments it is interesting to note that the company's balance sheet as at June 30, 1932, shows investments at $13,473 as compared with $10,027 on Dec. 31, 1931, and the same figure on March 31, 1932. The company's working capital has been increased to $72,783 as at June 30 as compared with $35,381 on December 31, last, and $59,095 on March 31, 1932.

The advance in the company's cash position was made despite the fact of drilling the second well in East Texas field. A contingent liability of $9,200 in suit is shown, but action has not been proceeded with. Steps are being taken to have the charge dismissed.

The company's principal income is from its crude oil well in Oklahoma City field where a second well is drilling. It also has a well in East Texas and natural gas wells in southwestern Ontario.

RENO GOLD MINES EARNS $24,444 NET

Fire Interrupts Production But New Mill Ready in Few Weeks

The annual report of Reno Gold Mines for the fiscal year ended April 30, 1932, shows a net profit of $24,444 after write-offs for depletion and depreciation amounting to $37,995.

Total income is given at $218,922 and includes $176,387 from bullion production, $14,329 from concentrate production and $19,905 from exchange compensation.

The balance sheet shows current assets of $119,990 including $76,702 unsettled fire losses and $25,275 in government bonds. Current liabilities are shown at $18,638, including a bank loan of $10,000, leaving a net working capital of $101,352.

The company started production at its property on Fawn Creek, about 13 miles south of Salmo, B.C., three years ago but production has been suspended since February this year when its mill was destroyed by fire. The adjoining Mother Lode-Nugget property and 200 ton mill was purchased early this year and is now being rehabilitated preparatory to resuming production at an early date.

Advance in Lead Good News for B.C.

VANCOUVER. — There was good news from British Columbia's lead industry in the advance of the price of that metal in New York.

Increase in the price by 15 cents per hundred pounds will increase the receipts of the principal producing companies in B. C. by approximately $500,000 and will provide encouragement for development of lead properties in several sections of the province.

This province produces annually about 300,000,000 pounds of lead, the chief operator being Consolidated Mining & Smelting Co.

Pend Oreille and Grandview mines in the Metaline district, supported chiefly by British Columbia and eastern Canadian capital, are expected to benefit substantially.

SISCOE GOLD MINE PROFIT IS $312,224 FOR SIX MONTHS

Profit For Half Year Equals Profit For Entire 1931

The semi-annual report of Siscoe Gold Mines, covering the six months ended June 30, 1932, shows a record output while net profits, after reserves for depreciation and taxes, were almost equivalent to the entire earnings for the previous twelve months.

Net profits were $312,224, equivalent to 6½ cents per share on the issued capitalization as at December 31, 1931. Dividends paid during the six months' period under review were four cents per share while a further disbursement of four cents per share was made on July 30.

The exact number of shares outstanding in the hands of the public is not disclosed. As at December 31, 1931, 4,750,000 shares had been issued, but 453,269 shares remained unsold and were held in the company's treasury for the benefit of the company. Since that time options on 200,000 shares at 50 cents each have fallen due and it is understood that these have been taken up, although no statement has been made. On August 1, 1932, an option fell due on a further 250,000 shares at 75 cents each. A compromise has been reached with optionees whereby 83,334 shares only will be taken up. This terminates the option agreement, leaving 419,935 shares in the treasury.

The following is a statement of earnings for the six months' period:

Income Account
Six Months Ended June 30, 1932

	$
Gross oper. inc. from prod. and prem.	572,801
Less: New shaft—addit., sink., drilling	25,022
Mine operating costs	168,910
General expenses	15,017
Net operating earnings	363,852
Add other income:	
Int. on deposits and govt. bonds	8,831
Misc. income	3,185
Total net earnings	375,868
Less: Deprec. reserve	25,119
Additional 1931 tax	3,710
Federal and prov. tax reserve	34,815
Net profit	312,224

The working capital of the company on June 30, 1932, was $[illegible]1,508 as compared with $553,708 on December 31, 1931. This increase was made despite the fact that the company disbursed approximately $180,000 in its initial dividend and has been making heavy capital expenditures at the property. In the interval, however, it had approximately $100,000 coming in from the option on treasury shares exercised on February 1, 1932.

The tonnage treated during the six months' period was 31,418 tons averaging in grade $16.34. Tailings losses were 21 cents per ton giving a recovery of $16.13 per ton as compared with $13.35 per ton in 1931. This indicates the normal value of the gold was $677,234 and that premium was $95,567 or a gross value for the recovery of $572,801. Operating costs were again reduced, amounting to $5.85 per ton as against $6.63 per ton in 1931. The following statement has been issued by the company's general manager, J. M. Forbes:

"In order to cope with our growing requirements, a new compressor of 1,300 cubic feet capacity has been installed and is now in service. The temporary head frame erected for shaft sinking is being replaced with a steel head frame. It should be completed within ten days. We have on order for fall delivery a new 575-horsepower Piesel-driven electric unit which will materially improve our power situation. Plans are being prepared for a probable mill extension during the early part of next year.

"The four mine levels are all responding nicely to development and some new sources of ore are indicated, especially on the 150 and 600 foot levels. The shaft is now at a depth of 885 feet and will be continued to 1,000 feet, with stations at 725, 850 and 975 feet, respectively. The mill expansion programme will naturally be contingent on the results obtained on these new levels. With the new compressor we will be able to expedite this work very materially. We are making steady and important progress and I can assure you that at no time in the company's history has the future looked so promising."

B. C. GOLD OUTPUT TO BREAK RECORDS IN NEXT FEW YEARS

Big Revival in Search May Reach $5,000,000 By 1933

From Our Own Correspondent

VANCOUVER. — Production of gold in British Columbia will eclipse all past records in the next two or three years, according to an official estimate of the provincial government.

Production of $4,000,000 in lode gold in this province this year and $5,000,000 in 1933 is declared probable, as a result of the tremendous revival of the gold mining industry in recent months.

"The highest output of gold in the history of British Columbia was in 1913 when the total lode and placer amounted to $6,137,490," the report states. "The present era of gold activity should see this figure surpassed in the next two or three years."

Search for gold has been the chief feature of mining activity in British Columbia this year. Actual production has been on a satisfactory basis, but the most favorable indication has been the discovery of new properties and the development of known ones along lines previously not undertaken.

The report gives the following summary of recent developments:

"For some years the annual gold output has ranged from 3 to 4 million dollars, of which the Premier mine has contributed about 60 per cent. Sundry small gold mines, by-product gold and placer production of $100,000 to $300,000 a year has accounted for the remaining 40 per cent. The annual reports of the Premier company for several years have intimated that the mine is approaching exhaustion, but 'a good mine dies hard' and another two or three years life at least would seem to be fairly certain. In the meantime the Pioneer mine has been developed to the point where in 1933 it is expected to take the place of leading gold producer of the province with a probable output of about $2,000,000; Reno is expanding and in 1933 will contribute substantially; Lorne has commenced production and other smaller properties are entering the shipping list."

Noranda's Profit to July Estimated at $2,040,807

An operating statement by Noranda Mines, accompanying dividend cheques, shows the estimated net profit for the six months ended June 30, 1932, at $2,040,807, equivalent to 91 cents per share as compared with $1.06 per share for the whole of 1931.

The following is a copy of the official statement:

Six Months Ended June 30, 1932

	$
Total recovery	6,203,364
Less: Mining, adminis., and gen. expenses	3,237,143
Reserve for taxes	294,034
Net operating earnings	2,672,187
Add: Misc. income	187,562
Total net earnings	2,859,749
Less: Res. for depreo. (15%)	718,942
Res. for contingencies	100,000
Estimated net profit	2,040,807
Estimated profit per share	$0.9111
Production:	
Copper anodes produced, lbs.	29,529,873

Harry Kee Joins N.A.M.E. as Manager of Exploration

Northern Aerial Minerals Exploration has announced the appointment of Harry A. Kee, M.E., as manager of its exploration activities succeeding Gordon Duncan who died in April of this year.

Mr. Kee is best known as manager for years of the Kerr Lake Mines at Cobalt. Northern Aerial's principal exploration activity at the present time is at its bornite find at Dismal Lake between Great Bear Lake and the Coppermine River, where a party in charge of James Hall is conducting further exploration and doing diamond drilling this season. Recently Northern Aerial sold its staking of potential radium ore and silver ore claims in the Great Bear Lake area to the Bear Exploration and Radium, Ltd., for a share and cash consideration, which is now prospecting these claims.

Aeroplane Has Essential Role In Mining Work

The part played by the modern airplane in the development of Canada's mineral resources has been on an ascending scale. This has been particularly emphasized in the development of the Great Bear Lake area where it has played the major rôle in the speedy development of the district. With water transportation open less than three months of the year in this district and requiring three weeks' travel time from rail head in contrast with one day's travel by airplane, throughout the year, except during the break up periods, airplane transportation is absolutely essential today.

Not only is the airplane a useful means of transportation but it has become invaluable as a means of mapping the geology from the air where no geological surveys have been made, especially prominent and important features such as dykes, faults, quartz veins and iron occupation. Granite, limestone and muskeg areas can be eliminated from prospecting in a short time by aerial traverses over the section to be explored. Thus a few hours' flying will eliminate the necessity of cross-sectioning the area on the ground by prospectors that would probably take a whole season before they would know the country was unfavorable for prospecting. The extensive use of airplanes in mining is steadily bringing down the cost of this mode of travel and increasing its popularity for the transportation of heavier supplies and equipment.

Big Mileage Covered

The Canadian Airways, which has a large fleet serving all parts of Canada, particularly the western provinces, has maintained a large fleet of machines for service in the Great Bear Lake area alone. As evidence of this company's activity in flying it is interesting to note that in 1931 it covered 1,832,794 miles, transported 1,223,908 pounds of freight and carried 8,047 passengers.

The Consolidated Mining and Smelting Company, one of Canada's largest metallurgical enerprises, has a fleet of ten airplanes engaged in its mining and exploration activities. In 1931 these planes flew a total of 273,726 miles, carried 247,897 pounds of freight and 1,817 passengers.

Canadian Mineral Production

Compiled by The Dominion Bureau of Statistics

Production of Leading Minerals in Canada

		April 1932	May 1932	May 1931	5 Mos. Ending May 1931	5 Mos. Ending May 1932
Asbestos	tons	8,830	9,942	12,446	66,552	45,605
Cement	brls.	427,320	530,504	1,090,449	3,295,580	1,740,655
Clay products	$	362,327	403,561	939,639	2,915,768	1,707,313
Coal	tons	734,500	672,441	912,036	5,002,447	4,870,784
Copper	lb.	22,077,843	21,356,879	26,598,601	124,783,707	109,200,957
Feldspar	tons	415	423	2,100	4,584	3,743
Gold	fine oz.	246,359	268,543	215,775	1,039,350	1,230,294
Gypsum	tons	23,087	66,139	95,240	167,806	112,300
Lead	lb.	21,624,442	20,150,393	19,574,813	121,745,685	104,729,215
Lime	tons	26,744	30,014	31,194	141,170	133,183
Natural gas	M. cu. ft.	2,353,619	1,760,161	2,036,490	13,417,414	13,387,598
Nickel	lb.	3,384,620	3,471,304	10,653,724	36,340,683	13,000,476
Petroleum	brls.	95,585	95,222	156,392	805,817	476,044
Salt (commercial)	tons	16,078	15,324	13,065	61,929	67,499
Silver	fine oz.	1,645,094	1,418,384	1,785,940	9,587,869	7,896,957
Zinc	lb.	14,650,218	15,247,980	24,213,078	111,085,672	74,399,219

Tailings

Moffatt-Hall Mines has an exploration party at its property in Northwestern Quebec. The company owns two groups of claims in Bourlamaque and Louvicourt townships, the main group of 28 claims being located in the northeast section of Bourlamaque.

* * *

Bidgood Consolidated Mines, which recently filed a petition in bankruptcy, is understood to be arranging for finances that will permit a reorganization. James Grant, consulting engineer at Haileybury, recently examined the property and recommends that a small mill is justified for the ore already in sight. It is estimated that the profit from this ore would finance the proposed development programme.

* * *

At a meeting of shareholders of Golden Summit Mines, held in Toronto on July 29, it was announced that financing in a small way had been done this year through the sale of treasury stock in the hope of resuming activity at its property consisting of 460 acres in Kirkland Lake district, one mile east of Sesekinika Station on the T. N. O. Railway. The two compartment shaft is down 142 ft. with lateral work done on the 125 ft. level. Officials have been giving consideration to a small test mill which they believe would enable the company to continue development from production profits.

The financial statement presented at the meeting shows $431 in cash, $670 due on treasury stock sold, and shares in Teck-Hughes Gold Mines valued at $137, while accounts payable are shown at $25.

* * *

Shareholders of Rhokana Corp. are in receipt of a six months' statement showing 485,073 tons of ore being treated, producing 17,827 tons of blister copper. As the period under review was that of starting up the plant, initial costs were higher than attained in the months of April, May and June which averaged £25.92 per long ton of 4.1 cents per pound of blister copper delivered in London or European ports. This cost includes all production, development, freight, selling, royalty and London charges, but excludes debenture interest and depreciation.

Canada is Third Among Nations Mining Silver

Despite the lowest prices for silver in modern times Canada still maintains its position as third among the silver producing nations of the world, a status it has maintained since 1908 when the mines of the rich Cobalt camp struck their stride.

Throughout the present century Mexico has been the world's foremost silver producer, with production in 1931 of 86,066,000 ounces as compared with 31,580,000 ounces from United States and 20,558,216 ounces from Canada out of the world total of 195,575,000 ounces. Canada's production in 1931 was about an average of that of the past ten years and equalled approximately 10½ per cent of the total world output, a higher percentage than it has enjoyed in many years past. Canada's peak year as a silver producer was in 1910 with a production of 32,869,264 ounces, or nearly 15 per cent of the world's total.

As production of silver from the Cobalt, Ontario, camp waned, Ontario lost its position as the leading producer in the Dominion and in 1931 British Columbia stood first as a silver producer owing to the silver recovered in the lead-zinc ore from the Sullivan mine operated by the Consolidated Mining & Smelting Co. The Treadwell-Yukon Co. ranks second as a silver producer in the Dominion, recovered from its lead-zinc operations near Mayo, Yukon territory. The Premier Gold Mining Co. was the third greatest producer, Nipissing Mining Co. which suspended last year was the fourth, with Mining Corp., of Canada fifth.

The shipments of high grade silver ore by Eldorado Gold Mines from its Great Bear Lake property is expected to make an important contribution. Plans call for shipping out of 200 tons this year, which at 5,000 ounces per ton would mean a million ounces of silver, placing the company's operations high in the ranks of Canada's silver producers.

Establish Mark at Halifax

The Geodetic Survey of Canada has arranged with the city of Halifax for the construction of a fundamental reference monument to be erected just inside the northeast gate of the public gardens. The height above mean sea level is to be accurately established, and this post will be the initial for all levelling operations throughout the Dominion.

Winnipeg Merchandising Survey

The Government Merchandising Census of Winnipeg, which has recently been completed, shows the city's retail business in 1930 to have been worth $140,000,000. Winnipeg had in that year 2,456 retail stores, employing 14,788 persons, with a payroll of $16,392,000 annually.

BASE METAL MINES LAY FOUNDATION FOR GREAT FUTURE

Refining of Copper in Dominion Leads to Fabricating Plants

With prices at a new all-time low level Canada's main producers of base metals have shown great fortitude in coping with the situation by tuning their operations to consumptive requirements and reducing costs to the point where operations may be profitably conducted.

While most of the small base metal producers and prospective producers have closed down, a survey discloses that the major operations continue, some even expanding their production.

In Quebec Noranda Mines, Quebec's big smelting operation, continues to expand, owing to the fortuitous position of its copper ore carrying high gold value.

At Sudbury, the huge nickel-copper enterprise has curtailed its output in line with consumptive requirements but its copper production is still the largest in the Dominion. Nearby the Falconbridge Nickel Co. has its 325 ton smelter operating to capacity.

In Manitoba the Hudson Bay Mining & Smelting Co., Manitoba's premier base metal enterprise has answered low copper prices by lowering costs and increasing production.

In British Columbia the Consolidated Mining & Smelting Co. continues to produce nearly 10 per cent of the world's lead and zinc. At the Britannia Mining & Smelting Co. and the Granby Consolidated Mining, Smelting & Power Co. copper production, while curtailed, still carries on at an operating profit due to declining costs.

Refines Own Copper

In the past two years base metal mining, particularly copper, has laid the foundation for a new manufacturing industry in Canada. At Sudbury and at Montreal East new copper refineries have been established primarily to take care of the copper production from International Nickel and the Noranda Mines respectively. These plants have made Canada independent of foreign refineries and enabled it to market refined copper in the marts of the world.

The establishing of copper refineries has led to further manufacturing operations, notably the establishment of a copper rod rolling mill, adjoining the copper refinery at Montreal East. Canada now mines, smelts, refines and fabricates within the Dominion and it is doubtful if many people have a distinct appreciation of how the production from our mines has laid the basis for a larger industrial development, how they have contributed in employment of Canadian labor, power and supplies. Every ton of copper formerly that went to United States for refining represented a minimum loss to Canada of $20. Late in 1930 Manitoba made its bow as a copper and zinc producer, the copper going to Montreal east for refining, the zinc refined at the site of mining operations.

Moss Initial Recovery Not Indicative of Ore

The quarterly statement of gold production by the Ontario Department of Mines gives the first indication of results at the Moss Gold Mines, which is pioneering the revival of interest in the Thunder Bay area.

The new 100 ton daily capacity mill was completed late in March this year and operations started. The government shows that an average daily rate of 99 tons was maintained during the last three months and that the recovery was $54,136 in gold bullion, exclusive of exchange compensation, from 9,000 tons treated. This is an average recovery of $6 per ton. This is not representative of what the recovery will be because during the period the mill was tuning up and extraction was not necessarily the best, furthermore the absorption of gold in the new mill would materially lower the recovery.

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